BEST'S Insurance News

LIFE EDITION

VOLUME 48, NO. 6 OCTOBER 1, 1947

BY THE EDITORS

Editors' Corner

* * *

Actuarial — Francis M. Hope, F.F.A., F.A.I.A.
Guarantee Formula (Part II) — Frederick H. Allen
Investments — Wendell P. Coler
Knowledge — Elsie Doyle
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Slow But Sure — Rudolph Leitman
Successful Sales — Paul A. Hazard, Jr., C.L.U.
Why Do You Sell Life Insurance? — Fred A. McMaster, C.L.U.

* * *

N.A.L.U.
Benefit Payments
Births
Family Happiness
Income Payments
Mortality

Guertin Legislation Status — Recruiting — Home Office and Field Appointments—C.L.U.—Conventions Ahead—Consumer Taxes—Pension and Profit Sharing Plans — Public Relations Report — Sales — In Force Changes — Women's Advisory Committee—Company Reports—State License Changes

ALFRED M. BEST COMPANY, Inc. SERVICE NEW YORK

THE NATIONAL MAGAZINE OF INSURANCE

If you did the ironing...

2 to 1, the iron you'd use would be the world's best!

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Royal durability! These typewriters are really sturdy. Royals stand up—spend more time on the job, less time out for repairs. With Royal, you get the maximum return for your typewriter investment!

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The opinions expressed by guest authors and advertisers do not necessarily reflect the opinions of the publishers. On controversial issues our pages are always open for presentation of both sides of any question affecting the insurance business.

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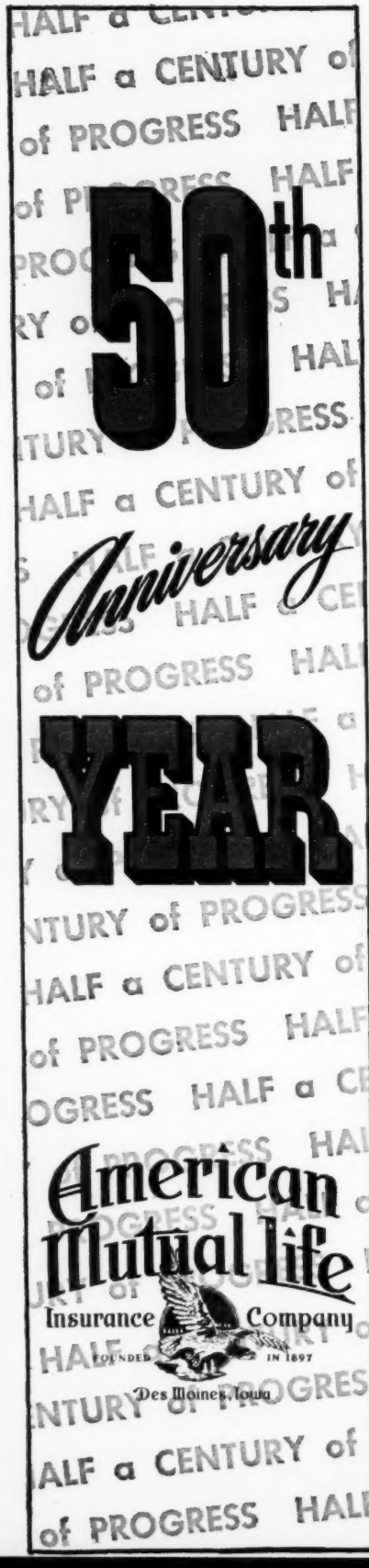


FAMILY HAPPINESS

THE Institute of Life Insurance is extending for another year its long-range family welfare program, predicated on the thesis that what becomes of the nation depends on what happens to its homes, with the services of life insurance agents to American families featured as an integral part of the new campaign, Holgar J. Johnson, Institute president, announced last month.

First advertisement of the 1947–48 program appeared the week of September 8, with 1,000 line ads scheduled to run in alternate weeks until the first week of June, 1948.

These advertisements will be carried in 378 daily newspapers in 232 cities throughout the country. They will appear in cities of 50,000 and over and in those cities of 35,000 and over where there is a local life underwriters association.

The farm audience will be specifically reached by the use of five farm magazines with a combined circulation of 6,800,000.

Total circulation of the newspapers and farm papers to be used is about 42,000,000.

The new campaign continues the public service aspects which have evoked wide interest and enthusiastic comment by leaders in many fields. Editors, business men, leaders in women's activities, social service workers, educators, preachers, public officials and persons in all walks of life have volunteered hearty endorsement of the spirit and the specific messages of the "Family Happiness" campaign during the past year. Those consulted in planning the new campaign have been even more enthusiastic concerning it.

Each advertisement in the series, signed by the "Life Insurance Companies and Their Agents," will carry a special message on the theme "How to Plan for Family Happiness," with the agent presented as the best one to turn to for advice and aid in this planning. "The person best equipped to help you with this is the well-trained life insurance agent. Get in touch with your agent, or write your life insurance company," is the concluding statement in each advertisement.

Several advertisements will be devoted entirely to the agent's service in family financial planning.

"This series of ads is a logical advancement of the program which the business has been conducting for the past several years," Mr. Johnson said. "For three years we carried on a cooperative advertising program against inflation which contributed materially to sound family thinking in meeting inflationary trends. Then last year, the business undertook a program more directly pointed to family problems, following the general theme, Family Happiness Has to be Planned.' This campaign emphasized the need for family money management and highlighted the results of sound planning towards family happiness.

"The new program goes one step further, presenting a series of messages concerning the means and methods for accomplishing this family financial planning. Key authorities of the nation in various fields of family and home management will be quoted concerning details in planning. Each advertisement will include a simple over-all plan for taking care of the main family disbursements today and planning for tomorrow.

"There was never a time when careful family planning was more necessary than today. In this turbulent world the stability of our national economy is definitely related to the family units which make up the nation. If we keep them sound, we keep the nation sound. Thus, it is more than a family service, it is a national service to exert every possible effort to maintain family and hence national stability in the days ahead."

"What this country amounts to depends on what happens to its homes. That is why the life insurance companies and their agents are undertaking this program in behalf of sounder family money management."

Life insurance agents throughout the country will have available through their companies reprints of each of the advertisements in the series. These reprints have been used in the past, up to a million or more in the case of some of the advertisements, to carry the messages to many who missed them when published and to reiterate the message with others.

The EDITORS' CORNER

OCTOBER, 1947

Life insurance premiums at the current rate will exceed $6,000,000,000 this year as compared with $5,700,000,000 in 1946 and $4,079,739,000 in 1941. This 50% increase in premiums, 1947 over 1941, seems very large but appearances are sometimes deceptive. National income in 1941 was $103,800,000,000 while at the present rate it may exceed $190,000,000,000 this year. A little figuring will show that, whereas in 1941 about 4% of the national income was used to pay premiums, this year, according to current indications, 3% will be so used. Since life insurance is a better investment under today's tax laws than in 1941 and more people have higher incomes today, what is the answer? There are several factors involved here but probably the most important one is a changed earning picture brought about by the war. It is today and has been for the past few years a "white collar" depression. Prior to the war it has been estimated that for each $3.00 earned by industrial employees, the white collar worker earned $4.00. This has now been reversed. In time it probably will assume the prewar ratio. Until that happens, however, the portion of the national income used to pay premiums will undoubtedly continue to be smaller, primarily because the "white collar" worker is more prone to look after his security personally, while the industrial employee looks more to his union or some governmental agency.

Section 213 of the New York State Insurance law among other things provides that the maximum first year commission on life insurance shall not exceed 55% of the first year's premium. The act in general deals with expense limitations and was enacted originally as a result of the Armstrong Investigation. By and large it apparently has been beneficial to the life insurance business since most of the large companies are either domiciled or do business in New York State. But conditions change and laws to be as effective today as they were yesterday should also change. There is little question that the methods of compensating agents prior to the Armstrong Investigation were not sound and needed altering. Equally true while Section 213 was appropriate when we had dollars worth 100 cents, this expense limitation is not equally sound with today's 50-60 cent dollars. If there was any conclusive evidence that we would return to the 100 cent dollar in the near future, changing Section 213 would not be in order. All signs point toward a cheaper dollar in the future and about the best the experts will predict is a 75 cent dollar. With the continued increase in prices of essentials this 75 cent dollar seems more optimistic than realistic.

Life insurance agents are supposed to be professional men and women. People in this category, according to our customs, are expected to maintain a living standard somewhat above the average. This means clothes, home, auto, clubs, etc. Such people are likewise expected to devote some of their time and effort, without compensation, for the improvement and betterment of their communities. Contributions to charity and other worthwhile causes should reflect their standard of living. These agents, both men and women, are financial counsellors. In order to counsel effectively their own finances should be in excellent order. You can't very well expect a prospect to accept your advice for solving his financial problems when you can't solve your own.

"It was fun while it lasted, the easy money era" so runs the ad of a life company. This is another way of stating that the life insurance sales picture has changed during the past few months. Sales compared with 1941 are good but compared with last year are unfavorable. In short, if it was easy to sell life insurance during the past few years and we question whether it is ever easy to sell it, human nature being what it is, then it isn't easy today and it will be more difficult tomorrow. Under these circumstances the average agent's income is going to decline while at the same time all the things he has to buy are going up in cost. It is much easier to say that he should sell more business than it is to actually sell it under present changed income conditions.

In 1946—a top sales year—the Ordinary sales totaled $15,092,307,000. As of year end there were 70,894 full time Ordinary agents. This means that per agent sales totaled $212,000 for the year. Among these agents some sold as high as $6,000,000 Ordinary while over 500 sold in excess of $1,000,000. The large majority probably sold less than $250,000. What does this mean relatively in terms of income? Using 55% for first year commission (renewals are not considered) on an average premium of $30.00 an agent would have to sell $233,000 of protection to earn as much as a truck driver making $75 a week. To do as well as a carpenter or a mason ($96 per week) the agent would have to sell $302,000. Relatively speaking, it would appear that agents are underpaid today considering the nature of the work and the qualifications required to do a successful job. If life insurance is an essential commodity under our economy, then the men and women who provide it should be adequately compensated. Section 213 should be altered accordingly and premiums raised if necessary. The life insurance business revolves around the agent and he should be the first, not the last, to be remunerated in keeping with his contribution not only to the business but to his fellow men as well.

Our Mark of pride....your mark of satisfactio

The American potters of the early Nineteenth Century made known their pride in their ware (much of it now collectors' items) and their responsibility for its quality by marking it either with name or initials.

Since early in the Nineteenth Century we have been making fine papers from cotton and linen fibres only—the most enduring materials from which paper can be made—and water-marking each sheet with the name of Crane. It is the mark of our pride; your mark of assurance, and one to be found by holding the sheet of paper against the light. When next you buy paper, we suggest you look for the mark of Crane and enjoy the pleasure and satisfaction of using Crane's for all your personal and business correspondence and your social needs and forms.

CRANE'S
FINE PAPERS

MADE IN DALTON, MASSACHUSETTS
SINCE 1801

WHY DO YOU SELL LIFE INSURANCE?

by FRED A. McMASTER, C.L.U.
General Agent
Ohio National Life Insurance Company, Los Angeles

MANY times I have asked myself the question, "What is it that men and women in our business need?" I have asked myself what I need . . . surely it is not another plan for selling life insurance . . . the magazines . . . the many, various, trade services . . . the many books . . . various training . . . . the tax and refresher courses . . . . these are loaded with sales plans, sales ideas and sales procedures. Then there are those aptitude tests which are supposed to tell us how well we are fitted for this business. With all of these sales plans, sales ideas, aptitude tests—again, what is it that men and women in our business need?

Let's try to answer that question, and as a springboard to get this subject started, I want to ask another question . . . "Why do *you* sell life insurance? Sort of simple, isn't it? . . . but, I promise you that the more you think about that question, the deeper becomes its meaning . . . the more far-reaching become its possibilities. It will set you back to fundamentals, "Why do you sell life insurance?"

Agents' Income Statistics

I asked that question of a fellow out our way the other day and this agent popped up and said, "Who said I ever *sold* any life insurrance?" Perhaps that fellow wasn't too far wrong, and, maybe there are a lot more like him in this country, for, that famous TNEC report of a few years ago states the average income for all men and women in our business in 1940 was about $1,000 for that year. And, the last Life Insurance Sales Research Bureau production study, made in 1943, tells us that 50.5 per cent of all the full-time agents did less than $100,000 of business in 1943. Cliff Orr, former C.L.U. national president, made a survey of production records of 8 leading Ordinary companies' 1944 sales. 73 per cent of the agents of those companies paid for less than $150,000 in 1944. Those are very sober thought-provoking figures but, of course, those low income and those low production figures do not apply to this group.

However, this does emphasize the fact that with all the available sales ideas, sales plans, etc., there is something which men and women in this business need.

Again, "Why do *you* sell life insurance?" Let's personalize that question and ask ourselves, "Why do *I* sell life insurance?" Put that question at the top of a sheet of paper, then list the many reasons why *you* sell life insurance. I promise you, it will be most interesting but, in the final analysis, I think you will find, as I found, that all of those reasons *why* will fall under two general heads. Those two heads are: first, I sell life insurance to provide a livelihood for my family and for myself, and then, second, I sell life insurance to render a service.

Let's examine these for a few minutes.

The first, I sell life insurance to provide a livelihood for my family and for myself. Some may say, "render service" is the more important. In fact, our various service club friends,—Rotarians, Kiwanians, etc., all put "service" first and "self" second. So do I. I have no quarrel with anyone on the relative importance of these two. I believe we can "have" and that we will "receive" only *as first* we give of ourselves. However, psychologists and students of human behavior tell us that the number one instinct of all men is the instinct of self-preservation. And, because all our economic activity is geared to the preservation of our family and of ourselves, we will approach this subject of providing a livelihood as though it were synonymous with self-preservation, as including the satisfaction of all those fundamental urges of man such as ego satisfaction, security, and all of those other impelling, driving forces of man's nature to which we appeal as we talk to men about their futures, but which likewise are found in each one of us.

Wide Income Variance

Some men and women in our business obtain a very complete, a very sufficient, and yes, a truly magnificent living from this business of ours, while others barely eke out an existence. Why this wide variance of income? Four years ago it was my good fortune to attend the Life Insurance Sales Research Bureau Managers' School in Chicago. Two old, but, two very dynamic, powerful ideas were given that school by "Woody" Woodson, then with the Bureau, now vice-president of the Commonwealth Life of Louisville, Ky. I am going to pass them along to you, as they have meant much to me. The first of those ideas was this. "The $75,000 a-year producer has the *same* job as the million dollar producer." As that statement was made, the man sitting next to me facetiously spoke up and said, "That may be so . . . I may have the same job as the million dollar producer, but there is a lot of difference in our pay checks . . . mine are a lot smaller." As he made that statement immediately there flashed to my mind the question, "Why?" "Why is his pay check a lot smaller? Why doesn't he earn more money?"

Incentive, a burning zeal for the better things of life, a better livelihood, a consuming passion to rise

(Continued on the next page)

above mediocrity. What is that intangible something that pushes, that goads, that prods men *on . . . on . . . and up . . .* up to heights far above the average. What is it? I found the answer to that question in that second powerful idea which I got at the Bureau School. The answer is found in what I call, three magic words . . . "Want to, Enough" . . . and I repeat . . . "Want to, *enough.*"

Every page in the progress of man, every chapter summing up advance in any field has been written *only* because some man or some woman *"wanted to, enough"* in this business. "Why do *you* sell life insurance?" "Why do *I* sell life insurance?" We sell life insurance first of all because we want to provide a livelihood for our families and for ourselves. However, I submit to you that the *kind* of livelihood which we provide for our families depends on one basic fundamental, and that one fundamental is how much we *"Want to, enough."*

As McMaster stands before you, the kind of a livelihood he provides for his family is definitely determined *not* by what these lips may say. *No!*, but, the sum total of a that he *is* and *all* he *has done* measured *only* by how much he h *"wanted to, enough."* And he can duck it. He may say he wants lovely home, fine clothes, the best food and several cars but, if instea his family lives in a shack on th wrong side of town, if they hav little food, and have only povert then we have the answer, he simp does *not* "want to, enough." Ye I am one of those fellows who be lieves that if you make a plan, set a objective and *then,* if you "want t enough," you will attain or reac that goal or that objective. How ever, don't take my word for tha All you have to do is to look bac through history, the history of n tions, medicines, science, law, f nances, engineering . . . yes, th history of our own business, and i each of those fields, you will fin story after story of some man o woman, *who,* in spite of waggin heads, derision and opposition went ahead, and today those stori record, praise, immortalize th achievement of those men and thos women. YOU and I? No, perhap our names will never appear on th pages of history or in "Who's Who, but, in the glowing, adoring eyes o our little kids, in the heart and so of that girl who is going alon through life with us. In their eye in their hearts and in their souls, yo and I can be as *great a hero* as eve walked through the pages of histor or moved across a stage. How? It very simple; three magic word "want to, enough."

Why am I selling life insurance To provide a livelihood with all tha it implies, the self-respect, the satis faction, the joy, the *love* of a jo well done so that girl, my wife, an our two lovely daughters can hav food, shelter, clothing and a little fu as we four go through life togethe *That's* the *first* reason why *I* s life insurance.

"Render" Service

The second reason why I sell li insurance is to render a service. have never liked that word "render I guess my dislike for the word go back some twenty years ago, whe I was working nights on a Sio City newspaper as a cub report

(Continued on page 79)

GIMBELS HAS VARIETY—
FROM POTS AND PANS TO ANTIQUES!

It's variety of appeal that makes Gimbels, New York, a great store. A woman seeking a spool of thread, a young fellow with the urge to buy a tie, the art collector and the connoisseur of objects d'art meet every day at Gimbels.

Variety
IS THE SPICE OF LIFE INSURANCE SELLING, TOO!

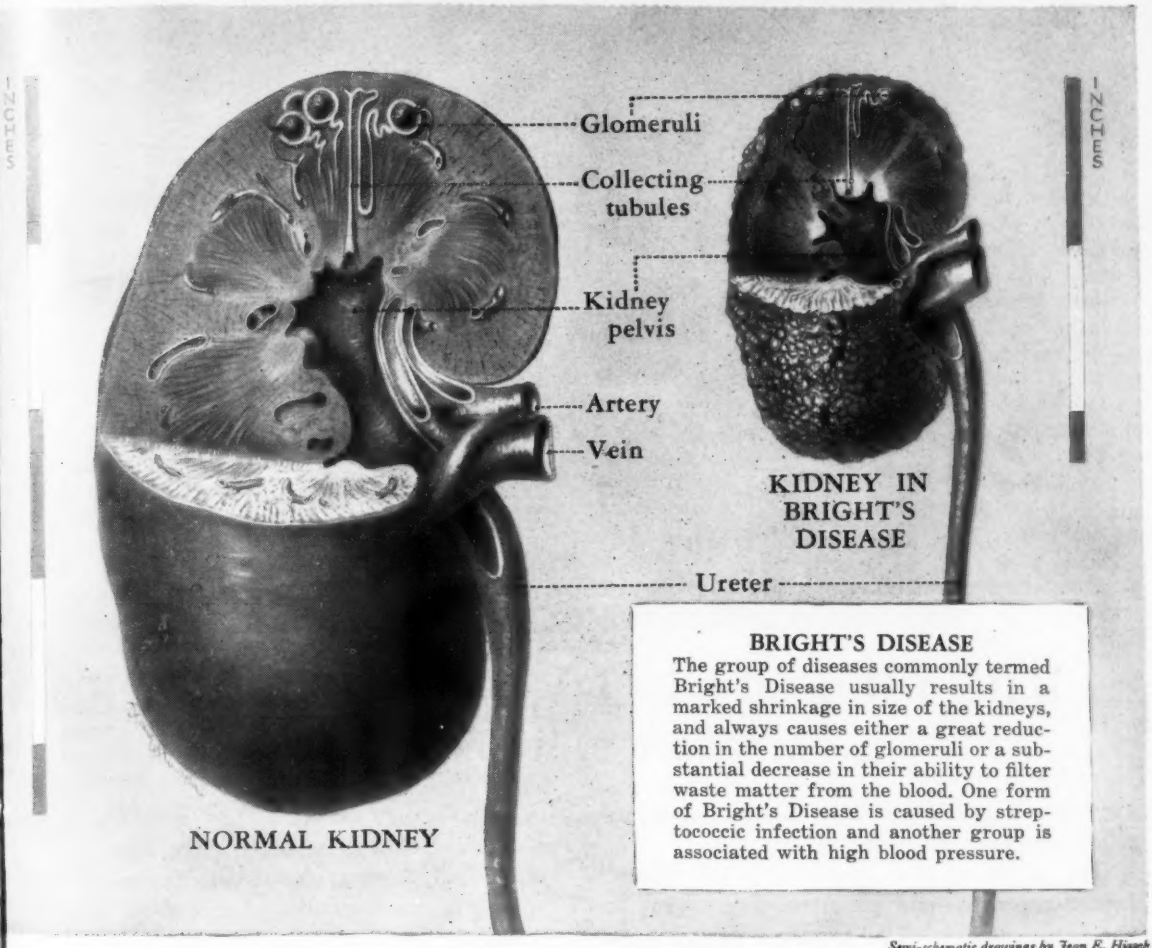
MULTIPLE LINES
LIFE AND ENDOWMENTS
Annual — Single Premium
•
SALARY SAVINGS
•
ANNUITIES
Annual — Single Premium
Immediate & Deferred
•
PENSION TRUSTS
•
GROUP
Comprehensive Coverage
•
COMM. ACCIDENT & HEALTH
Hospitalization

The General American Life man has variety in his selling kit. He's the man with the plan for every need . . . for every man and woman and child Multiple Lines supply not one but many keys to Mr. Prospect's door. That's a good part of the success story of the General American Life man . . . that, and alert, responsive home-office cooperation.

. . . . *you're always in business with*

GENERAL AMERICAN LIFE INSURANCE COMPANY
WALTER W. HEAD, PRESIDENT
SAINT LOUIS

GERIATRICS: HELPING OLDER PEOPLE ENJOY LIFE LONGER



Semi-schematic drawings by Jean E. Hirsch

Longer life for people past 40

At the left above is a normal adult kidney. The odds are better than 200 to 1 that both of yours are in this same healthy condition.

The other is a kidney shrunken to about half normal size as a result of "Bright's disease"—the common term for any of several kidney ailments. As recently as 20 years ago these were hopelessly incurable. But modern treatment results in encouraging improvement and in a large percentage of cases the man or woman with kidney disease may enjoy many extra years of comfortable living.

A little over 100 years ago the English physician Richard Bright showed the connection between dropsy and diseased kidneys. The kidney studies of Bright and his associates marked the earliest recorded instance of joint research in medicine. A few years later physicians of the United States founded the American Medical Association, which is currently observing its 100th anniversary.

This century of medical progress, in which the AMA has played so stimulating a part, has radically improved the lot of man on earth—at first through a sharp reduction in infant mortality, more recently through an increase in the life expectancy of older persons. In 1847 the man of 40 had already outlived his life expectancy. Today he can look forward to at least 30 more years of pleasure and accomplishment.

This brighter prospect for the middle-aged comes from geriatrics, the science of helping older people enjoy life longer. It has disarmed such once-fatal ailments as diabetes, heart disease, pernicious anemia and infections. It is fast finding the key to such others as cancer and the mental diseases.

Full enjoyment of these years calls for financial solvency, best attained through a sound program of savings and life insurance. Your NWNL agent, paid not primarily for how much insurance he *sells* you but for what you *keep in force*, has a strong interest to provide you with just the kind and amount of life insurance you need and can afford. He can help you plan wisely for a financially comfortable future through life insurance.

FREE PAMPHLET: "*The Bright Side of Bright's Disease*" *tells of recent accomplishments in treating kidney ailments. Sent free on request.*

NORTHWESTERN *National* LIFE
INSURANCE COMPANY
O. J. Arnold, President — Minneapolis 4, Minn.

DO YOU BELIEVE IN GHOSTS?

BY LOUIS E. ORCUTT, NEW YORK

Let me tell you a true story about one of my fellow agents in the Provident.

The agent had a neighbor. They played bridge together—and golf, too. They went to the same church. The families visited back and forth.

The man had bought *some* life insurance—but he had not bought enough. Because the man was a close friend, the agent had not felt he could put on any pressure. One day, suddenly, the neighbor died.

When the agent went to the widow to explain the settlement of the insurance, she said: "Oh, George —why didn't you sell Jim more life insurance?"

Why not indeed? The question was unanswerable.

From that time on, George never let sentiment keep him from giving full service to his friends and neighbors.

Talk about ghosts! That widow's questio haunted that agent to his dying day.

. . . By the way, how many ghosts are there i your canvassing cabinet? How about that educ tional policy for Bill, Jr.? Put off to next yea Suppose Bill, Sr. dies this year! Another ghos

How about that policy that was to bring Soci Security up to a level of moderate securit Written yet?

Doesn't the rattling of the ghost distur your rest? Be careful—for, if the man shoul die, you never would forgive you self.

Ghosts—lots of them! Shakin their unclothed bones at you, wav ing their tenuous arms, shriekin from their cavernous mouths—cry ing out to you and me: "Do now!"—"Don't wait!"—"Clothe u in certainty!"

Then—no more rattling!

Sales Ideas From "Provident Notes"
published by
PROVIDENT MUTUAL LIFE INSURANCE COMPANY of PHILADELPHIA, PA.

SLOW BUT SURE

by RUDOLF LEITMAN
Agent
New York Life, Detroit

MY PURPOSE today is to make everyone feel that there is no magic in the kit of the million dollar producer. There is no super salesmanship in his kit. There is no *anything* in his kit that the majority of life underwriters cannot have in their kits.

I have sat in audiences time after time and heard millionaire producers talk of the cases they have closed and the volume they have paid for—and I have marveled! I have spoken on the same phases of business and made people marvel. But, I have not heard a million dollar producer speak of cases he had not closed—and to this point, neither have I ever revealed my own.

Millionaire producers miss plenty of cases, just as anyone else does. Millionaire producers make plenty of mistakes, just as all life underwriters do. Millionaire producers have to pull themselves into that class by hard work, adaptation of other people's methods and ideas that they think they can use and by accumulating over long years the seasoning and experience that gives them the mighty feeling of confidence and courage that they all have.

Look at Me

Look at me! I'm a million dollar producer two years old—becoming so after having been in the business eleven years. Listen to my story of seeking, hopes, dreams and errors.

During my first year in the business, I paid for almost $100,000 and since you all know about quarterly premiums and semi-annual premiums and the commission on writing young men—you'll understand that I made the grand sum of about $800 cash. The second year, I made my company's $100,000 Club with pro-rata carryover helping me. I made about $1600 that year. That was 1934 and not so bad, but I felt that I had a lot on the ball and I was disgusted. Is the feeling familiar?

I read everything I could borrow about life insurance. I couldn't afford to buy the material, and I, a present million dollar producer!

I made so many calls that my feet hurt. I, a present million dollar producer! Don't you believe me? Here is a pair of shoes I wore in those years. Look at the holes in the soles! I keep this shoe in my office just to make sure that I don't get too big for my breeches.

My wife and I suffered and survived through some pretty lean years. She was loyal, but gently wondered if there wasn't something better for me, a present million dollar producer! I wondered a little, too!

Experience Teaches

The years rolled on, with no remarkable success. I made the $200,000 Club my fourth year in the business, our Top Club the sixth or seventh. Never with too much money to spend, always seeking for better levels to solicit, making multitudes of errors, profiting by them, and learning and gaining stature. I went through everything that any life underwriter ever has gone or is going through and, except for the exception, what every million dollar producer goes through.

Then, five years ago, something happened. I began to click! I wrote over one-half million, then over $650,000 and so on up to the million mark. Am I now a more naturally smart person than in the $100,000 years? Am I now any better a natural salesman than in the $100,000 years? No! No! No! It was just that the seasoning—the experience and the adoption of an idea here and an idea there, and the power of my dreams, caught up to me and I had become the so-called successful producer.

Now, as a present million dollar producer, I would like to emphasize that I make mistakes in plenty even now. In going over my work for the last few months, I discovered that I wrote some $600,000 of insurance, an extraordinarily good amount for me, but I definitely counted as lost business from all causes, more than I wrote. I'm a million dollar producer, but I muff business too.

In my office, there are two young men with whom I counsel frequently. Many more times than I would like to admit, they put through applications for insurance on people that I couldn't sell. And I'm a million dollar producer!

I'm not a bit better than any other life underwriter, but I want to analyze some of the things I have learned to do over the long years of climbing and suggest that would-be million dollar producers take my questioning to heart.

Sell Ideas

When you approach an individual, are you careful to arouse his curiosity immediately? If you are not, you are losing many possible interviews. Get a gadget of some type and put it into his hands immediately, so he will ask, "What's this?" Then you tell him. Did you ever take a folded application and give it to your prospect immediately after greeting him? Try it and watch him ask you, "What's this?" Then tell him.

Do you, after securing his attention, ask him if he can save X number of dollars a year if he likes what you have to offer? If you don't, how do you know he can buy?

Do you sell ideas, or do you sell policies? I would like you to throw your rate book in your desk and leave it there! I never have one around. I'm always talking about what a man wants done for his

(Continued on the next page)

family; what his dreams are in terms of money alive or dead; he doesn't know whether I'm talking Ordinary Life, Endowment, or Annuity; why should he? That's technical—his problems are personal—so is my theory of selling. What is the cost to him in dollars saved? I give it to him in round figures, and he is satisfied 99 times out of 100. Competition with other companies, and with your prospects' usual objections is non-existent when you sell ideas instead of policies.

Do you work as a painter with a big brush, or as an artist with an artist's brush? Don't talk to a man about his family—his son or his daughter or his children. Get the information, then talk to him about Mary, John, Elizabeth and Jane. They are his. Each time you say each name, he remembers some wonderful and endearing thing about each and you're talking to his heart!

Do you make your choice of words stir his interest? Use romantic words, like "love, your sweetheart and partner" and "that sweet daughter." Think up power phrases and exciting and unusual terms. I frequently say, "I have something for you that is so wonderful; it reminds me of a beautiful woman," or "Life Insurance will do *anything* for you. If you have just a little imagination, it will even sing 'Yankee Doodle!' "

Power of Words

The power of words is great. One person can look at an old house and say it is "haunted"—another can say it is "enchanted." Both mean that there is some story attached to the house, but the word "enchanted" makes you think of wonderful, pleasant things. Which do you use?

When you are in an interview, do you always have an application in plain sight so that the prospect can become accustomed to it while you are leading up to asking him to okay it? Or do you start reaching for it in a case or your breast pocket and scare your prospect to death?

Do you ask him to "sign" here, or "write your name" here, just the way you would want it to appear on the policy? Don't use the word "sign"—use anything else!

If you don't close, the next time you come back, do you have one more good idea to add to what was said the last time and start the ball rolling again, or do you just return and ask, "Have you decided to let me get you that marvelous policy?"

And do you always have a duplicate illustration of what you are talking about? I hope so, because my experience has taught me that prospects mislay the material we leave—and more often than not, they haven't even looked at it since we were there last.

Get a Secretary

Do you have a secretary? I feel that you can't be a million dollar producer without a secretary. A $250,000 producer can't afford one, but two $250,000 producers can share one and go on from there. A one-half million producer can afford one. Five $100,000 producers can and must afford one, and go on from there. Time in the field is terribly important to get to the million dollar mark. You need a secretary for that. Hire one.

I was hard to convince on that score. My manager loaned me money for my secretary's salary at first, but the first year I had her, my income jumped $8,000 and scared the hell out of me.

When you get the secretary, write letters like mad. At any excuse, write a letter. Scatter your letterheads all over town. Thank people for an interview. Thank people for an app. Write and say you are coming. It is my opinion that the good this does is invaluable.

I am a very ordinary individual. The only reason that I may be a million dollar producer and others are not, is the fact that in my early career years, I asked everyone I met for one good idea or one piece of advice. I paid attention to my business, I made that one extra call every day, and I worked that one extra night each week. I have a competitive spirit and dreams—dreams to be "up there" on the lists.

Before Annual Meeting N.A.L.U., Boston, 1947.

President George W. Steinman

SEPTEMBER for STEINMAN

MIDLANDERS worked extra hours in September to roll up a whopping volume of written business in honor of President Steinman's thirty-six years of faithful and efficient service.

In these thirty-six years President Steinman has seen the assets of the Midland Mutual Life grow from less than $1 million to more than $55 million; the insurance in force increase from less than $9 million to over $177 million; surplus to policyowners increase from a quarter of a million to over $4 million.

The September Campaign in honor of President Steinman brought the written business to an increase over the first nine months of 1946.

The Midland Mutual Life Insurance Company

250 EAST BROAD STREET COLUMBUS 16, OHIO

A YEAR and a half ago, I was released from the Naval Service and began to look for a job. I started by looking for success—success in men I admired. I talked to many men during the month I was investigating job possibilities, and asked them to help me inventory my abilities and measure them against the requirements for success. After that month, having made my decision to enter the life insurance business, I had one conclusive thought on which I decided to base my actions. Of all the men I had talked to and about, I noticed that none of them who were successful worked alone—that all had other people working with them. It seems to be true that we all have limitations of capital, stamina, and ideas. A single individual has but a small chance of becoming a success alone.

by JOHN T. WOLF
Associate General Agent
National Life of Vt., Los Angeles

Only 2 Ways

There were two ways, I decided, in which a man could have people working for him. Either he hired them, which requires capital, office facilities, and constant supervision of his employees, and I obviously could not do this; or the people worked for him because they were his friends and wanted to help him to succeed. I decided I could hire these people to work for me in an unlimited number. It was upon that thought that I have tried to measure my new ideas and guide my actions and plans. It is the one idea, if no other, that I try to get established in my prospect's mind. I am talking to him because I want to be his friend and have him for mine for our mutual benefit.

When I was asked a number of weeks ago to speak, for a few minutes today, I was requested to talk about my most interesting case. In analyzing my policyholders, I found the ones that I thought most interesting were the ones that had been the most difficult to sell. With this assumption, I suppose my most difficult and, therefore, my most interesting cases would be ones which I did not sell. However, to talk of one of those cases would probably illustrate the things not to do and not to say to your prospect, and I believe the company is interested in the ideas that are to be expressed at this convention be positive in nature and not negative.

About a year and a half ago in an office in which I rented desk space, a young man and wife applied for a loan of $80,000. The loan was quickly refused but I was, nevertheless, interested in meeting a couple who had the imagination and ambition to try to borrow $80,000, so I drove to their home and introduced myself and we began to form our opinions of each other. I learned that they lived in a modest home, had three children, that they were 35 years old, that he was an officer in the Navy, and that they had $15,000 of life insurance—$10,000 of which was G.I. Term—and that was about as far as I got. Try as hard as I would, I could not seem to get them very much concerned over the future of their three young children and the inadequate amount of insurance to guarantee the family requirements that they gave me. They would not tell me much about their use for the $80,000 loan, although, I did learn that it was to build a three story thirty unit apartment house on a lot near my home. I believe I stopped in and said "hello" again and decided that until the man got out of the service, and they had found out definitely one way or another about their potential apartment, they would be too upset to buy life insurance.

A few months later, I saw the ground on their lot being broken and within several weeks a beautiful three story apartment was started. During this process of building, I stopped every so often and walked through the building with the man and we would go over the blueprints and he would tell me of the plans for their apartments. During all of these months, I was working for him, listening to his troubles and worries of construction, enjoying with him the growth of the building, and becoming friends. The other day that building was completed and Les and I, for it had been Les instead of Mr. for a long time now, finally had the honest revealing fact-finding interview that must be had before you can understand each other's problems and help solve them. As we started through the five steps, we were finally having a real interview after knowing each other for about a year. When I asked him what his cash requirements at death would be, he was at a loss. I found that they owed $90,000 on this apartment that was valued at $150,000; they owed $20,000 on a hotel in town, and $20,000 on an orange grove, naturally, they had established substantial equities in these properties. We finally arrived at a cash figure and I asked his wife what type of income she would need to take care of the family.

She said, "Well, we have $1,000 coming from my father's trust."

I answered, "Let's see, a thousand dollars divided by twelve is around $97 a month."

She said, "Oh no! a thousand dollars a month from the trust."

Well, in a few minutes I learned that they had a $1,000 income a month from the trust which was tax free for death tax purposes, $1,500 a month from the rental of the new apartment house, $500 a month from the interest in the hotel, and $500 a month from the orange grove. Their children were taken care of in the wife's father's trust fund, and it was obviously a complicated problem of estate settlement, proper ownership of property and income, and adequate tax provisions.

(Continued on the next page)

Interesting Selling—Continued

The interview was turned into a general one of information getting. The first thing that seemed necessary was a visit to an attorney which I recommended. They had no attorney and I suggested one which they agreed to. Needless to say that the attorney is one of my employees now and I have sent him a number of clients.

The four of us went over the affairs together—new wills were drawn, gifts are to be made, property and income to be divided into separate instead of joint tenancy ownership. There is much legal work yet to be done. At the same time that the legal instruments were being drawn in regards to their real estate property, I was reviewing their insurance property and the needed corrections and additions.

Well Sold

The other evening I stopped by to have some papers signed for the attorney and some forms signed which were necessary to make changes in their present insurance. There were a number of papers and the bottom one was an application filled out except for the signature of the wife, to buy a substantial amount of insurance on her husband, with an application for him to sign buying an equal amount on her life as soon as possible after the birth of a baby. There was no selling on my part—just the brief explanation of their friend to please sign this as I am applying for the insurance that is indicated in your estate problem. They did not question the amount of the insurance or even the use to which we were going to put it. They signed the papers, gave me a check, and each thanked me several times for helping them and being so interested in their family.

At that moment, I hired two new full-time employees to add to my staff. They will expect no compensation except my friendship, interest, and service to them. I contemplate no union trouble or lack of material for my employees to work with. Their wages are most reasonable and I believe that at this moment my staff in Long Beach is working for me because I am not called upon to supervise them or check on them. They like their work and get a thrill out of the business that they bring to me. Although they probably do not realize it, they control my future. They can leave me to my own individual efforts. To accomplish the work that one individual can do, to use the resources of one man's ideas, energy, and representation, if they choose to do that, I can make a living and that is about all. Then again if they choose to, they can, when the opportunity presents itself, recommend me to a friend, phone me an idea, send me a valuable list of names, and in a hundred ways help me and have fun doing it. If they choose to help me, I can find real success.

Alone, I am limited by the hours of the day, the number of people I can see, how much energy I can be possessed of, how many ideas that are new ones which I can have each morning. I believe you will agree, as you stop to think of it, that the only successful men that you really knew had people working with them, and that either they were hired and paid wages of money or else they were friends and paid the wages of friendship. Incidentally, *it is fun to work all day long with your friends.*

EDGEWATER BEACH HOTEL
CHICAGO, ILLINOIS

Headquarters of the World for Insurance Conventions

FOR THE FIVE YEAR PERIOD
1941 — 1946

New Annual Paid-For Business increase	156%
Total Insurance in Force increased	74%
Surplus and Contingency Reserves increased	83%

These are the results of a happy and progressive agency organization

THE
LAFAYETTE LIFE
INSURANCE COMPANY
Lafayette Life Building
LAFAYETTE, INDIANA

F. L. ALEXANDER, President
R. G. YEAGER, Supt. of Agencies

TODAY I should like to discuss the essential role that the life insurance salesman plays in preserving our American system of private enterprise.

Personal initiative, opportunity for the individual, and freedom of thought and action are so interwoven with our political and economic life, and are so basic in our conception of Americanism that we are warranted in calling the whole order the American system.

The United States, as we all know, is the richest and most prosperous country in the world, and the one which enjoys the highest standards of living in all history. The man of moderate means today has more comforts and luxuries than were had by the mythical Midas of the magic touch or by the fabulous Croesus of the ancient world, or by the Caesars of Rome, or by Louis XIV of France, despite the brilliance of his court, or by any arrogant Bourbon prince. Our average citizen has better medical and surgical care, better hospitalization, more rapid and comfortable means of transportation, better communications, access to greater public libraries, museums, and educational institutions, the enjoyment of radio and motion pictures, the use of countless electrical appliances unheard of in olden days, and generally more conveniences and cultural opportunities than were ever had by the most opulent people of other eras. This is not a mere coincidence.

Facts to Remember

We are the beneficiaries of economic development and scientific research sparked under our system of private enterprise and conducted under a political philosophy that the state exists for man. People from every country on earth seek admission to this land of freedom, this land of personal initiative and opportunity for the individual.

by ROBERT E. HENLEY
President, Life of Virginia

As was well said recently by Paul E. Belcher, Vice-President of the First National Bank of Akron:

> When the peoples of other nations get hungry, where do they turn for food? When they get cold, where do they seek fuel? When they desire machinery, where do they place their orders? When they want consumers' goods, where do they line up for them? When they need money or credit, where do they file their applications? In every case the answer is the same—the UNITED STATES.
>
> Thus, every country in the world pays homage to the economic system which we, in the United States, enjoy. Each compliments us by its actions. No other system receives more than lip service.

Not having lived under any other system, many of us have grown to accept the private enterprise system as a matter of course and complacently have assumed that it will endure forever.

Free Enterprise

America is almost the last great nation which still carries the banner of free enterprise. Totalitarian powers dominate a great portion of the globe and threaten us from without. The infiltration of strange ideologies festers the minds of the discontented and the destitute. Thousands in America embrace communism and other unproven social and political ideas. We can minimize the spread of this virus by continuing to demonstrate that man's wants are better satisfied in a land of freedom of thought and action than in any other and by proving that our system is best for the greatest number and by informing the people what it means to be an American.

Life Insurance

Well may you ask, How is this related to LIFE INSURANCE? The answer is not hard to find. Men in all walks of life today demand security in a greater degree than was ever had under any form of government. But there is nothing new in this desire except its universality and its intensity. From the earliest dawn of history men have in some measure sought security. They huddled in caves or cliffs, not so much because they loved one another's company as for protection. The feudal baron extended a limited degree of protection in return for the services of his vassals. The increasing desire and need for security is a natural outgrowth of the industrial revolution with its resulting social and economic changes.

Opportunity Not Security

It has been said that "opportunity rather than security is still the goal of the American people." It may seem strange to you that an insurance executive should concur in this statement. Security, precious though it is, must not be bought at the price of freedom and of opportunity that exist only in a constitutional democracy. Without opportunity, life would be drab. As was said 25 centuries ago by the Greek poet Alcaeus:

> Not houses finely roofed or the stones of walls well-builded, nay nor canals and dockyards, make the city, but men able to use their opportunity.

Without the spur of opportunity, the great discoveries would not have been made. Columbus was not seeking security when he sailed his tiny vessels toward the setting sun. No covered wagon would have crossed the American continent in search of security. Security alone is static. The babe in arms has security in high degree. The slave on the prewar plantation had it. But the security of which we insurance men speak is that which is obtained through the exercise of opportunity, through that freedom of thought and action which we call our American way of life.

(Continued on the next page)

"Not a Coincidence"—Continued

Security, which is a relative term, can be offered by the totalitarian state, limited, of course, by its means. It offers security while it hampers opportunity and destroys initiative. The birthright of freedom is sold for protection.

I should like to read to you an excerpt from the Stalin Constitution:

> The citizens of U. S. S. R. have a right to material security in old age and also in case of sickness and loss of ability to work. This right is secured by the broad development of social insurance of workers and employees at the expense of the State, by free medical assistance offered for the benefit of the workers, by the extensive network of health resorts.

As a supplement to social security in Russia, that country has provision for voluntary collective life insurance through a governmental monopoly. Sales are made through the Savings Bank.

While LIFE INSURANCE is the very essence of security, nevertheless, there is no sales congress of underwriters in Russia today for the simple reason that there are no li insurance salesmen in Russia. Ther is no place in the communistic sta for the insurance agent. There i surance becomes a function of go ernment.

How different it actually is wit us. In my humble opinion, LIF INSURANCE in this country one of the great pillars supportin our system of free enterprise. *offers security through the exercis of opportunity.* It affords a mean for the attainment of security with out the sacrifice of liberty and free dom, without stripping a man of hi dignity and hopes for advancement and without reducing him to a docile cog in the machine of state. To para phrase the words of William Eller Channing, the office of governmen is not to confer security, but t give men opportunity to work ou security for themselves.

May I at this point stray awa from the subject under discussio and attempt to answer some of th questions frequently asked me con cerning LIFE INSURANCE i European countries?

Italy has private insurance com panies and a state-owned and oper ated company. The agency syste is employed and business is de cidedly on the up-grade.

In France LIFE INSURANCE benefits were paid during and since the war. Though 34 insurance com panies have been nationalized, it is misleading to say that the life insur ance industry has been nationalized. Sales were up according to the latest report that I have.

Industrial insurance has been na tionalized in England. Conflicting reports have been received as to the intention of the labor government with respect to nationalizing Ordi nary insurance.

Germany furnishes the most in teresting picture. The thriving in surance business which survived World War I was almost, but not quite, destroyed by the great infla tion of 1923. The companies came through that inflation with some real estate holdings and tangible assets. When monetary conditions became stabilized, policyowners were per mitted to reinstate their insurance but without any surrender values

For Personal Producers Only

If you are a successful personal producer who is interested in becoming a General Agent and if you are capable of broadening your efforts communicate with us.

☆ ☆ ☆

Our General Agency contract includes life, accident and health, and hospitalization insurance.

☆ ☆ ☆

Even your second year renewal under our combination plan should be a substantial income.

☆ ☆ ☆

We teach you how to recruit, train, and supervise agents. Correspondence confidential.

•

HUGH D. HART
Vice President and Director of Agencies

ILLINOIS BANKERS LIFE ASSURANCE COMPANY
MONMOUTH, ILLINOIS

The business continued to grow—even under the Hitler administration. By the end of 1942 over 45 billion policies were in force for 43 billion Reichsmarks. The occupation of Germany by the four conquering powers has presented different problems in the 4 zones of occupation. As was to be expected, the funds of the companies in the Russian area were immediately confiscated, though some of the companies in that area were permitted to re-open and are doing business in a feeble sort of way. Many of the companies in the Russian area moved westward and are now doing business with headquarters in Cologne, Frankfort or other west German cities.

The performance of LIFE INSURANCE in Germany is an amazing example of the virility and resiliency of the institution and of the grip that LIFE INSURANCE has on the minds and on the imagination of the people everywhere. In a span of 30 eventful years, Germany suffered defeat in the two greatest wars in history; saw its currency wrecked by a disastrous inflation; went through the world's worst depression in the early 30's and lived under the iron heel of the most despotic dictator of modern times. Yet LIFE INSURANCE was never utterly crushed and is now decidedly on the up-grade in that desolate land.

By and For Average People

LIFE INSURANCE institutions are operated largely in the interests of people of average means, people you meet and see as you go about your daily tasks. The great bulk of the assets of insurance companies is held not for the wealthy man, but for wage earners and generally people of the great middle class. The savings which our insureds accumulated through thrift and which they have entrusted to our care have purchased for them a measure of security on a voluntary basis. The facts speak more eloquently than any words I could utter. *Approximately 73 million Americans are insured for $174 billion dollars. Group insurance alone affords 28 billion dollars of protection to 14 million workers.* The United States and Canada have only 7% of the world's population, but their citizens own 70% of the world's LIFE INSURANCE. You gentlemen who persuade the public to acquire this cherished security are not merely insurance salesmen. You are soldiers fighting to preserve the American way of life. You are knights banishing the specter of insecurity that haunts the working man. You are determined enemies of communism and of all ideologies that would deprive free people of the blessings that inhere in a democracy, including the opportunity of providing for their own financial safety in their own way and by their own efforts. All life insurance men are stewards dedicated to the task of preserving family units in their homes.

The theme of this sales congress has been, "What of the Future?" I can only say that the performance of LIFE INSURANCE through the great crises of the past is the most complete assurance we can have of its ability to survive in the years that lie ahead. The methods it will employ and the extent to which it will flourish are dependent in large measure upon our being able to preserve our way of life in a world resentful of our wealth and freedom.

I do, indeed, wish you success not merely because of my interest in you as insurance men, but because I firmly believe that in your success lies real hope for the preservation of our American way of life.

Before Georgia State Assn. of Life Underwriters and reprinted from "Virginia Bulletin."

NON-CANCELLABLE and
GUARANTEED RENEWABLE
HEALTH and ACCIDENT
INSURANCE
★
LIFE INSURANCE

THE Paul Revere Life
INSURANCE COMPANY
WORCESTER · MASSACHUSETTS

Is licensed and does business in the 48 states, the District of Columbia and Hawaii

"DEAR EDITOR—"

For the past year and a half we've been in regular communication with the nation's editors and newspapermen through our advertisements in three journalistic trade publications . . . Editor & Publisher, The National Publisher, and The Publishers' Auxiliary. Two typical messages are reproduced here.

The ads are not designed to sell life insurance, but rather, they have a public relations objective. They inform newspapermen of Mutual Life's efforts to offer an ever-improving life insurance service to policyholders and the public.

FOR APOSTLES . . .
their own reward!

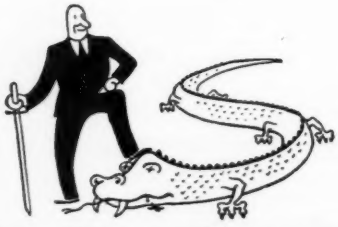
The life insurance business has many outstanding "apostles." They are the salesmen whose efforts are devoted to encouraging financial security for millions of American families. We wanted to be sure these apostles had the same security themselves.

So we developed the Mutual Lifetime Compensation Plan, which assures our salesmen a steadily increasing income for a level volume of production, with no additional cost to policyholders. The Lifetime Plan also provides a liberal retirement income.

Now we've added an Insurance Benefit Plan for our salesmen. The Plan includes life insurance . . . accident and sickness benefits . . . hospitalization allowance and surgical fees. The cost of the new Plan is shared by the Company and the salesmen.

We believe that this program of security for our salesmen will enable them to provide increasingly better service for our policyholders.

THE MUTUAL LIFE
INSURANCE COMPANY of NEW YORK
34 Nassau Street — New York 5, N.Y.



We Slew a Dragon!

For some time, we've been doing battle with a mythical dragon. And we're glad it's dead, because it plagued our policyholders for years.

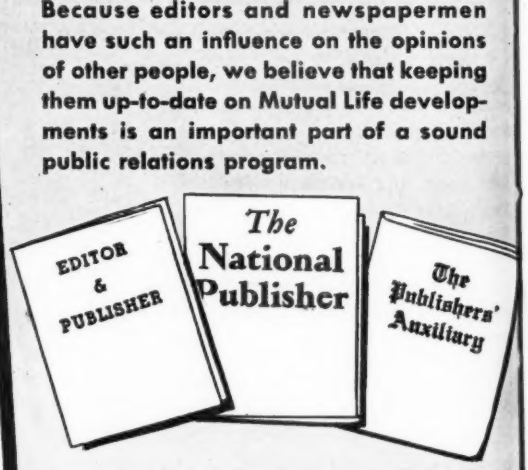
There was an old tradition in the life insurance business that whenever a policyholder wished to report a change in status, a notarized signature was required. If he changed his occupation, lost his policy, assigned it for a loan . . . for any one of a hundred reasons, the policyholder was forced to seek out a Notary Public, to witness and attest his signature, before the Company would recognize the change.

Four years ago, we decided to rid our policyholders of this annoying procedure. Gradually we whittled away at the number of notarizations required, until today there is *not a single situation* in which a Mutual Life policyholder, or his beneficiary, must submit a notarized statement.

We feel sure our policyholders are pleased; and as for us . . . we are looking for another dragon to slay!

THE MUTUAL LIFE
INSURANCE COMPANY of NEW YORK
34 Nassau Street — New York 5, N.Y.

Because editors and newspapermen have such an influence on the opinions of other people, we believe that keeping them up-to-date on Mutual Life developments is an important part of a sound public relations program.



Our 2nd Century of Service

THE MUTUAL LIFE
INSURANCE COMPANY of NEW YORK

34 Nassau Street
New York 5, N. Y.

Insured Income

Alexander E. Patterson
President

by ELSIE DOYLE, Agent

IT SEEMS to me that education for the profession of selling the benefits of life insurance means the development of the one natural talent which we all possess. This innate ability speaks for itself by the fact that we are all life underwriters and members of the NALU. I refer to an understanding, and thereby an intense interest, in people. After all, ours is a social occupation. People and personalities are to our business as grain in the hopper is to the miller.

Education for our work at once divides itself into two categories:

First, education designed to improve our natural talents, thus adding to the effectiveness of our salesmanship.

Second, the education we must give our prospects and policyowners in order that they will better appreciate and understand our services.

Self-Education First

May we consider self-education first. Education to equip us properly for our work must embrace eight things:

(1). A study of human nature and psychology. An analysis made at the Carnegie Institute of Technology revealed that about 15 per cent of a salesman's financial success is due to technical knowledge and about 85 per cent is due to the skill of human engineering, personality and the ability to lead people. The better we understand the person with whom we are dealing, the more interesting this prospect will be to us.

(2). We should try to learn something about each prospect's own business or profession. The more intelligently we understand his or her problems, the better advisers we become. For instance, if the business is a seasonable one, we should be guided thusly in timing our sales approach, not only because of the financial status of our prospect but also out of consideration for his time.

I recall an instance in Cincinnati in which I was an observer—not a participant. It was the week before Christmas in a large department store. The clerks were tired, the stock very low, the customers impatient, and I, like others, had been referred to the department buyer to learn if there was a chance for my order to be filled before the Holidays. Standing in line with other annoyed customers, I was astonished to recognize an underwriter, with years of experience, endeavoring to explain a lengthy, complicated proposal on a Family Income Plan to this poor merchandising man—and at such a time. Use your imagination as to how that interview ended.

(3). To be able to discuss with intelligence other subjects such as art, music, the new books, the theatre, current news events, and the like, is obviously most helpful. It many times helps us "break-the-ice" in that all-important first interview.

(4). It is important to have such a thorough knowledge and complete understanding of the life insurance business that we are enabled to make it crystal-clear *at once* to other people. We must educate ourselves so that our presentations are made in a clear, accurate, simple and sincere manner. We do not wish our prospect to criticize our efforts when we depart, as Byron once did when he remarked, "I wish he would explain his explanation."

Public Recognition

(5). Our education must help us build and hold the prestige of our clients. Public recognition as a life underwriter with superior knowledge is a woman's best and most enduring asset in our business. Being so well-skilled promotes confidence in your prospect and policyowner. He recognizes that the suggestions in his behalf are based on not only an understanding of his problem but also on proper knowledge as to its solution. A thorough acquaintance with your business likewise impresses him with the fact that you are zealous in your work and painstaking in your service. He knows you properly prepare and continuously educate yourself.

(6). It is important, too, that we develop and maintain with our associates and with the community in which we work a position warranting their respect—respect based on our knowledge of the business and the manner in which we apply it. Prestige and recognition gained by a job well done is to be coveted.

(7). Education to better equip ourselves must include a study of the science of selling principles which have been definitely determined and worked out. It behooves us to profit by these established and proved rules by learning how to apply them.

Enthusiasm Needed

(8). Our education must be such that it will maintain our enthusiasm at a point which makes our work interesting as opposed to monotonous—fascinating as opposed to drudgery—and exciting as opposed to commonplace. This is definitely brought about by the type of clientele we seek. If we prospect among the alert, wide-awake, progressive individuals, we, too, must match wits with them in knowledge, interests and zest for living. I ask you—"What other business offers such opportunities as ours for choosing the best of everything?" We may choose the best people with whom to do business. We have the finest product to sell. Finally, we experience that wonderful feeling, down deep inside, that we are contributing a truly commendable service.

Now let us consider the question of education for our prospects and

(Continued on the next page)

policyowners. I would like to begin by establishing a theme—An "educated" policyowner will buy and retain more life insurance, derive more satisfaction from owning it and help us sell more insurance to others. Thus, our efforts as agents become more profitable—our work, the source of fresh enthusiasm and greater satisfaction.

It seems to me that a prospect's education should start with our telephone approach. Be calm, friendly, professional. If avoidable, never follow up a lead without first securing an appointment. You indicate by so doing that you, too, are a busy person and place a high valuation upon his time as well as your own. Telephoning with the result you desire is an art, often an acquired art. To become an artist, two requisites stand out—a friendly attitude which makes itself felt "over the wire," and the courage to keep on practicing until you feel completely at ease in its use. The time, effort and strength it conserves is unlimited. Who knows—the person who answers may be just as friendly as you are. Give him a chance. Any possible discourtesy experienced over the phone can't hurt as much as if it had occurred face-to-face by "barging" into a man's presence without an appointment. If you are not successful on the phone in gaining an appointment, you have a "second chance" to call personally upon him—that is, if you are made of such persistence and courage.

Upon obtaining the appointment by phone, I make my first call with one purpose only. My aim is to sell my prospect the fact that we may have something to offer him that he truly wants, if he will cooperate. Whether it be a Family Income—Retirement for Himself—Business Insurance—a Tax Fund—Educational Guarantee—or any other coverage—we must, as advisers, first have his confidence. We can then hope to obtain the necessary information to plan and propose properly. Your approach, your self-confidence, will help gain this reaction from your prospect.

It has been my experience that my most satisfactory interviews and sales have taken place in my own office. Is it too difficult to sell your client the fact that you, like his physician, are better able to serve him where you have the proper facilities? In a diagnosis, the doctor uses all the modern equipment available to aid in his examination. We, too, have our offices equipped with time-saving devices to aid us. Your client's attorney prefers an office interview in which he may refer to records, legal decisions and other aids. In the privacy of your own office, your client will not be distracted nor his attention diverted by phone calls, visitors and the dozen-and-one annoyances that always occur in his own place of business.

Time

In educating your client, it should not be difficult to convince him of the importance of spending three or four hours in planning how he should save and utilize the money he devotes a lifetime to earn. Carry with you a Chart which will perhaps shock him into the logic of your appeal, such as this. A person working 40 hours per week, 50 weeks per year, will put in the following time:

Present Age	To Age 60	To Age 65
35	50,000 hrs.	60,000 hrs.
45	30,000 hrs.	40,000 hrs.
55	10,000 hrs.	20,000 hrs.

You might further demonstrate your appeal for sufficient time for planning with your prospect by asking his opinion of a man who spends $15,000 accumulating a hodgepodge of building material in brick, lumber, cement, windows, hardware, plumbing and various items, and then calls a contractor instructing him to build a house. The contractor could do but one of two things—advise the perplexed man to obtain a plan for his home, or to engage an architect. Isn't it equally as absurd to try to build a house of protection for himself and his family without a well-devised plan? Educate your prospects accordingly and you have an excellent chance to carry out those blueprints for him through the years.

Having reached an agreement on the time factor, do not compromise for a few minutes or even a longer period if your setting is wrong. Impress upon your prospect again the importance of taking sufficient time,

SIGNUM INTEGRITATIS

WE OFFER

NON-CANCELLABLE AND GUARANTEED RENEWABLE DISABILITY INCOME INSURANCE that contains

1. ***A WAIVER OF PREMIUM BENEFIT***

and

2. ***A GRACE PERIOD OF 31 DAYS FOR THE PAYMENT OF PREMIUMS***

ARE *MORE* GOOD REASONS WHY SO MANY LIFE UNDERWRITERS PROTECT THEIR CLIENTS UNDER OUR POLICIES.

MASSACHUSETTS INDEMNITY INSURANCE COMPANY

Boston · Massachusetts

"Look up our office in your locality"

but in a place and under circumstances where attention to *his* problem will be uninterrupted.

It is important to educate your prospect that life insurance is not designed to accomplish something so new and different, but rather to help him to do better and with far greater ease the things he already wants to do, and is perhaps trying to accomplish.

Explain Needs

If your prospect is a married man, educate him by means of a "Family Needs Forecast" or a similar analysis chart which discloses his primary needs. Show him the ingenious way certain policies have been designed to cover these financial requirements. If the problem is a home mortgage that causes concern, show him how your company actuaries in their contract planning have covered this problem.

To educate a client by showing him exactly how a premium amount is determined intrigues him and tends to produce confidence in you and your company methods.

Illustration
Twenty Payment Life
Age 35

Expense of Loading (approximately)	$4.00
Mortality Charge (approximately)	9.00
Reserve Contribution (approximately)	22.94
TOTAL	$35.94
Approximate Dividend (at present savings in mortality and expense loading)	4.00
Net Premium	$31.94

It is not difficult to memorize approximate figures for illustration purposes at representative ages.

Educate your prospect in reasons why life insurance is such good property to own. Discuss the utility of money. Money is accumulated and invested to meet certain future needs for income and to gain certain economic advantages for the investor and his family. Rather than accumulate "money for money's sake," the wise investor contemplates his needs for future income and invests his funds in such a manner that his investments will *meet his actual needs and at the time the needs occur.* In addition to some specific or unusual requirements, most men need future money:

1. To replace a breadwinner's earning capacity for his family.
2. To continue a guaranteed income after a man desires to "ease up" or retire.
3. To meet financial emergencies.
4. To offset loss of earning power due to disability.

Life insurance contracts are unique in that they are flexible enough to meet future needs and at the same time deliver *cash* or *income* at the exact time your needs for funds occur.

Demonstrate to your prospect the purchase advantages, in that:

(1). Any unpaid balance is cancelled at death and the property passes at par.

(Continued on the next page)

THERE'S LIFE IN THE BERKSHIRE

"Our new Career Contract is certainly tops! It gives us a larger, more stable income and includes death, disability and old age benefits."

Frankly, we are very proud of our new Career Contract for Berkshire Associates. It provides for a larger and more stable income to the career man through the larger second year commission and the personal continuity credits during the entire premium paying period of the policy. It provides for a level lifetime income in old age with no contribution required of the agent. On death of the agent, it provides immediate cash for a clean-up fund and an income for 10 years thereafter. It also provides for a continuing income to the agent who becomes disabled.

Every effort has been made to provide the most modern and the best system of compensation for the benefit of our present full-time career underwriters, and also for the new men who will become associated with the Berkshire in the years to come.

THE *Berkshire*
LIFE INSURANCE COMPANY
INCORPORATED 1851
HARRISON L. AMBER, *President* PITTSFIELD, MASS.

ASK ANY ASSOCIATE

Knowledge—Continued

(2). Life insurance capitalizes future earnings.

(3). The down payment for an estate bought on the installment plan may run as low as three-fourths of one per cent (as with a $7.50 net premium on $1,000 of Term insurance).

(4). It is a unilateral contract in that the company *must* abide by the terms of the contract, but the insured can discontinue the contract at will.

(5). The owner has the right to change the method of payment.

(6). The price is the same to all insurable buyers of the same age.

(7). With disability coverage, the contract is automatically paid for in event of disability.

Your prospect should be educated in the ownership advantages of life insurance. He is guaranteed three kinds of protection so far as his capital assets are concerned.

(1). The legal reserve funds of our companies must be in currently approved assets.

(2). Life insurance companies are generally able to meet obligations out of current income.

(3). The man buying life insurance gets the immediate advantages of the operating profits of a going concern and the protection of its surplus account.

Show him the flexibility of the contract:

(1). His rights to change the contract as originally written are incorporated in the policy.

(2). He has his choice of optional maturity dates and in election of a time to start his retirement income.

(3). He may take the interest on his matured contract—or a specified income for a certain period—or a life income.

His investment has a guaranteed liquidity. At any time in the future he may borrow at five percent interest.

A life insurance investment dispenses with the worry of reinvestment of funds.

Tell Him All

Your prospect may not appreciate the confidential features of an investment with us. Such funds need not receive the attendant publicity of all property passing through Probate Court.

The distribution advantages of a life insurance estate are most interesting to your prospect:

(1). Show him the economy offered by the settlement options—the certainty with which they are paid.

(2). Settlement is immediate with no liquidation losses.

(3). Explain the free and safe trusteeship of life insurance funds.

(4). His estate has the same management benefits both before and after his death. In the case of many types of property, the death of the owner removes that efficient management ability which had made the property valuable and productive.

(5). Your client is interested in the favorable tax treatment life insurance proceeds receive.

Tell him all. We have nothing to conceal. The better our policyowner understands his life insurance holdings, the more he appreciates his investment and his own judgment in so investing.

They offer prizes on the radio program, "It Pays To Be Ignorant." In our business, we offer no prizes—only benefits, and the benefits go to those agents who have the best educated clientele.

Before Women's Section, Annual Meeting N.A.L.U., Boston, 1947.

SIGNIFICANT FACTORS

On December 31, 1946, Life of Virginia held $1.13 of assets for each $1.00 of liabilities (the average of the 20 largest companies was $1.07).

In 1946, Life of Virginia: increased its assets 9.58% (average for the 20 largest companies was 6.92%); increased its premium income 9.99% (average for the 20 largest companies was 6.08%); and increased its insurance in force 18.48% (average for the 20 largest companies was 10.46%).

Established 76 years ago, Life of Virginia now has more than a BILLION DOLLARS insurance in force.

LIFE
Insurance Company
of
VIRGINIA

Established 1871
Richmond, Va.

Bradford E. Walker, Chairman of the Board
Robert E. Hanley, President

In Los Angeles
THE CHAPMAN PARK HOTEL AND BUNGALOWS
ON FASHIONABLE WILSHIRE BOULEVARD
Private Pool, Sports, Social Rendezvous
HARRY WARD, Mgr.

In Tucson
SANTA RITA HOTEL
THE GEM OF THE DESERT
FOR A LUXURIOUS VACATION
NICK HALL, Mgr.

In Kansas City
HOTEL BELLERIVE
ENDORSED BY DUNCAN HINES
RICHARD D. VANDERWARKER, Mgr.

Write Above Hotels for Descriptive Folders and Rates

By O. D. Brundidge of Chrestman, Brundidge, Fountain, Elliot & Bateman, Dallas, Texas.

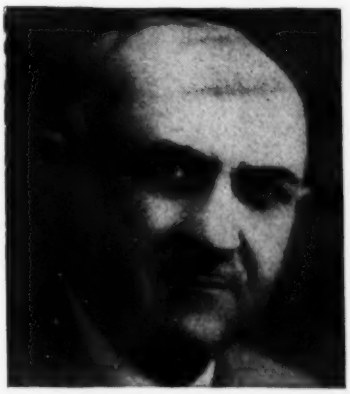
Aviation and War Risk Exclusion Provision Held to Limit Insurer's Liability for Death from other than War Risks

ON JANUARY 19, 1942, Charles T. Parks, then a sergeant in the United States Army, made application to Jefferson Standard Life Insurance Company for insurance in the sum of $2,500.00. On February 1, 1942, the policy was issued with the insured's wife, Jean M. Parks, named as beneficiary. On October 22, 1942, while serving with troops, the insured died in an army hospital in Alaska of an embolism following an appendectomy. On December 6, 1942, the insured's wife died. The insurer made a tender of $71.48, claiming that under the policy's war risk exclusion rider no more than that was due. The tender was rejected and the administrator of the beneficiary brought this action. The prayer of the complaint was for the reformation of the insurance contract and for $2,500.00, with interest, but at the trial the pursuit of the remedy of reformation was abandoned and the plaintiff stood on the policy as issued.

The rider, which was part of the policy when it was issued, reads in material part as follows:

"Aviation and War Risk Exclusion Rider. Attached to and Forming Part of Policy No. 758,537, Issued on the Life of Charles T. Parks. This policy is issued and accepted upon the express agreement that the liability of the Company shall be limited to the amount specified below if the death of the Insured occurs: . . . (2) From any cause while the Insured is serving outside the states of the United States, the District of Columbia, and Dominion of Canada, in the military, naval or air forces of any country at war (declared or undeclared) or within six months after the termination of such service if death be caused from any wounds, injuries or disease received or suffered while in such service; . . . In event the insured's death should occur under any of the conditions defined above, the Company's liability under this policy shall be a single sum equal to the premiums actually paid on this policy with compound interest at the rate of 3 per cent per annum . . ."

The Trial Court held that the insured's death from natural causes while serving in Alaska was not a risk assumed by the insurer. The administrator attacked this conclusion and contended that it was the meaning and intent of the contract to insure against death caused by ills common to everyone, whether in the service or not, and that the exclusion or exemption applied only in case of death from a cause connected with war and its hazards and perils. He argued that "The words 'From any cause' when read in connection with the heading of the rider attached to the policy—'Aviation and War Risk Exclusion Rider' mean no more than that the liability of the Insurance Company shall be limited when the death of the insured is occasioned by, incidental to or proximately caused by military activities, and not where it has been due to natural, ordinary or accidental causes." He argued further that such an interpretation is consistent with the universal rule (37 Corpus Juris, page 546) that where the language of an insurance contract is ambiguous, it is to be construed most strongly against the insurer, who is presumed to have drawn the policy and caused the uncertainty to exist.



Mr. Brundidge, an attorney-at-law, was Chairman of the Health and Accident Insurance Law Committee of the American Bar Association for 1944–1945. He is also executive vice-president and general counsel for the Great American Reserve Insurance Company.

After discussing a number of California cases, the Supreme Court of California summed up the leading cases of California and grouped them as follows:

1. Those holding that language such as "death in consequence of" or "death resulting from" military service means that death from natural causes while in the service is not within the exemption;

2. Those holding that death "while engaged in" the service has the same meaning (as group 1);

3. Those holding that death "while engaged in" the service means no more than while enlisted in, or enrolled in, the armed forces, hence such death, even from natural causes, is within the exemption, and

4. Those cases where the war risk clause contains no such language as

(Continued on the next page)

is found in (1), (2) or (3) but simply states the condition, namely, military, or naval service.

The Court then held that the clause in this case is in the fourth category. The Court then held that the language of the above rider was not ambiguous and that the death of the insured was covered by the exception set out therein and the judgment for the Insurance Company was affirmed. There is a vigorous dissenting opinion however by Justice Carter. Coit vs. Jefferson Standard Life Insurance Company, 28 Calif. (2d) 13, 168 Pac. (2d) 163; 168 ALR 673. (This case is followed in ALR by a complete annotation on the validity, construction and effect of provisions of life or accident policy in relation to military service).

Stamped Matter on Outside of Policy Held Controlling Printed Provisions Within Policy

Eunice B. Hiatt, the beneficiary of a policy of insurance on the life of her husband, sued the New York Life Insurance Company to recover double indemnity for a fatal accident. The Court found that the insured "died as a result of a fatal accident through purely accidental means, and as a result of the inhalation of carbon monoxide gas." Being of opinion that the Company was obligated to pay double indemnity for death from such cause, the Trial Court gave judgment for the beneficiary.

Stamped on the cover page of the original policy in purple ink, in a manner "calculated to challenge the attention of the reader" appears the statement: "Double Indemnity For Fatal Accident." The same phrase is stamped near the bottom of the first policy page. On page 5 there is a double indemnity rider in which the insurer agrees to pay, in addition to the ordinary life benefit, and for an added premium of $4.50, the sum of $3,000.00 upon receipt of proof that the death of the insured "resulted directly and independently of all other causes from bodily injury effected solely through external, violent and accidental means . . . provided, however, that such Double Indemnity shall not be payable if the Insured's death resulted, directly, or indirectly, from . . . (b) the taking of poison or inhaling of gas, whether voluntary or otherwise . . ." In all, this clause of the rider enumerated nine excepted occasions of death.

The United States Circuit Court of Appeals for the Ninth Circuit held that the established rule that where the contract is partly written and partly printed, the writing controls as being the more deliberate expression of the parties, embraces the use of a rubber stamp in lieu of writing. (Citing 14 California Jurisprudence 450, Section 28, and several California cases).

The Court held that the Company could easily have avoided ambiguity and eliminated all deceptive repugnancy by adding to the stamped matter some brief expression calling attention to the limitations contained in the rider. If, for example, the declaration had read: "Double Indemnity for accidental death, as restricted and defined on page 5 hereof," or language of similar import, the insured would have been put on notice that double indemnity was not payable for all fatal accidents, but only for those not later made the subject of an exception. The Court held that the stamped matter must be taken as a part of the contract and that it was controlling. New York Life Insurance Company vs. Hiatt, 140 Fed. (2d) 752, 168 ALR 551. This is followed in ALR by an annotation on "Effect of Stamped or Printed Matter Outside of Body of Insurance Policy."

STATE LICENSE CHANGES

Companies Expanding

SINCE publication of the September issue, the following companies have expanded, as indicated; Bankers Life (Nebr.) in Delaware; Commonwealth Life and Accident (Mo.) in Alabama; Connecticut Mutual in Utah; Fidelity Mutual (Pa.) in Colorado; Independent Life and Accident (Fla.) in South Carolina; Manhattan (N. Y.) in Wash.; National Life and Casualty (Minn.) in Canada, Idaho and Nevada; New York Life in Texas Jan. 1 next; Northwestern Life (Wash.) in Utah; Progressive Life (Ga.) in South Carolina; Reserve Life (Tex.) in Tennessee; State Capital Life (N.C.) in Georgia; State Mutual (Mass.) in Arizona, Delaware, Florida and Wyoming; United States Life (N. Y.) in Iowa.

99th Anniversary Year 1848-1947

UNION MUTUAL
Life Insurance Company
PORTLAND MAINE HOME OFFICE

Rolland E. Irish, *President*
Harland L. Knight, *Agency Vice-President*

OFFICE EQUIPMENT DIRECTORY

★ **Readers of Best's Insurance News may obtain without obligation, from selected manufacturers, current literature and prices on any of the following products and services. (If you desire information on any items not listed, we will make every effort to obtain it for you.)** ★

FILING CABINETS
1. Card File
2. Fibre Board
3. Insulated
4. Metal
5. Micro
6. Portable
7. Rotary
8. Stencil
9. Visible
10. Wooden

FILING SUPPLIES
11. Fasteners
12. Folders
13. Index Tabs
14. Supports

MACHINES, ACCOUNTING
15. Adding
16. Billing
17. Bookkeeping
18. Calculating
109. Payroll
19. Tabulating

MACHINES, MAILING
20. Dating Stamps
21. Envelope Sealers
22. Mail Openers
23. Postal Meters
24. Postal Scales
106. Time Stamp

MACHINES, REPRODUCING
25. Composing
26. Direct Copying
27. Duplicating
28. Micro-filming
29. Mimeograph Slip Sheet
30. Typewriter, Electric
31. Typewriter, Manual

MACHINES, MISCELLANEOUS
32. Addressing
33. Checkwriting
34. Dictating
35. Intercommunication
36. Stapling
37. Paper Fastening

OFFICE ACCESSORIES
38. Ash Trays & Stands
39. Cash Boxes
40. Chair Cushions
41. Currency Trays
42. Desk Lamps
43. Desk Pads
44. Desk Trays
45. Drawer Trays
46. Moisteners
47. Name Plates
48. Pen & Ink Sets
49. Waste Baskets

OFFICE FURNITURE
50. Air Conditioners
51. Bookcases
52. Cabinets
53. Chairs
54. Desks
55. Fluorescent Lighting
108. Incandescent Lighting
56. Matched Suites
57. Safes
58. Stools
59. Tables
60. Wardrobes

SERVICES
62. Accounting System
110. Elevator Modernization
63. Fire Protection
111. Floor Maintenance (Non-Slip)
64. Office Planning
65. Record System
66. Sales Incentives

SUPPLIES, GENERAL
67. Blank Books
68. Business Forms
70. Envelopes
71. Erasers (Specialized)
112. Floor Polishes (Non-Slip)
72. Loose Leaf Books & Systems
73. Marking Devices
74. Paper
75. Paper Perforators
76. Pens
77. Pencils
78. Pencil Sharpeners
81. Staple Removers
69. Stencils & Inks

SUPPLIES, TYPEWRITER
82. Cleaning Material
83. Copyholders
84. Copy Ribbon
85. Justifier
86. Line Indicator
87. Pads
88. Ribbons & Carbons
89. Stands

TELEPHONE ACCESSORIES
90. Cord Cover
91. Holder
92. Index
94. Silencer
95. Stands

MISCELLANEOUS
103. Birthday Cards
105. Bulletin Boards
97. Fire Extinguishers
98. First Aid Kits
104. Greeting Cards
99. Leather Goods
100. Promotional Gifts
107. Recording Door Lock
101. Silencer for Dictating Machines
102. Visual Policy Jackets

To BEST'S INSURANCE NEWS
75 Fulton St., New York 7, N. Y.

★ Please forward complete information and prices on the items checked.

No. _____ No. _____
No. _____ No. _____
No. _____ No. _____
No. _____ No. _____
Other _____
_____
_____

Firm Name _____
Attention of _____
Position _____
Firm Address _____
City _____

Modern aids to

TRIPLE-USE CALENDAIRE

AN INGENIOUS Calendaire developed by the Autopoint Company has three-way utility. In addition to the perpetual calendar, it registers the temperature and humidity of the surrounding air. The calendar is operated by a simple turn of the white plastic knobs on both sides. The unit is molded from polished Bakelite of an attractive walnut color.

NEW INTERCOM MANUAL

HOW to solve Communication Problems" is the title of a new booklet prepared for free distribution by Executone, Inc. Special sections describe the saving in both time and money made possible by the use of modern intercommunication systems. Reading time: 4 minutes.

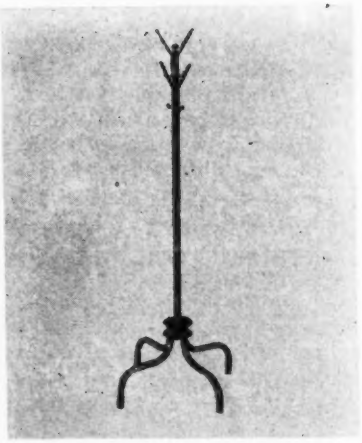
★ October, 1947

To BEST'S INSURANCE NEWS
75 Fulton St., New York 7, N. Y.

Please forward complete information and prices on the items checked.

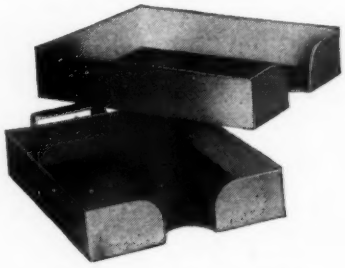
- ☐ Triple-Use Calendaire
- ☐ Intercom Manual
- ☐ Metal Costumer
- ☐ Swinging Desk Tray
- ☐ Photo Reproducer
- ☐ Postal Scale

Firm Name _____
Attention of _____
Position _____
Firm Address _____
City _____



ALL METAL COSTUMER

A New, streamlined, six foot, all metal costumer has been introduced by Maso Steel Products. Of one inch steel tubular construction, it has a one piece welded, non-tippable base with four strong curved legs tipped with nonmarring lugs. The costumer is available in three finishes, baked enamel, walnut or grey or polished chrome, durable plated. The four hat and coat hooks are chrome plated, of unbreakable steel and so spaced that hats and coats stay put with little danger of falling.



SWINGING DESK TRAY

THE new all steel Swing-Tier chrome plated desk tray manufactured by the Shirl-Morr Stationery Products Mfg. Co. is available in standard letter or legal size. The top tray swings on a pivot to a 45 degree angle where it automatically stops permitting easy access to correspondence in the lower tray. Flocked rayon is veneered to the bottom of the lower tray to prevent desk scratches.

PHOTO REPRODUCER

AN ALL-METAL contact printer equipped with an automatic timer has been developed by the Victor Safe and Equipment Company. Sturdily built for everyday use and long wear, the unit occupies little space (18" long by 7¼" high by 12" deep; weight, 17½ pounds). The 10" x 15½" printing surface will make good copies of any typed, written, printed or drawn material up to 9½" x 15" in size.

NEW TYPE POSTAL SCALE

TO COMPUTE parcel post charges with this newly designed scale, you merely press down the desired zone key. The computed figure, and only that figure, comes into view. Capacity is seventy pounds. The drum chart is replaceable should postal rates or regulations change. Detecto Scales, Incorporated, the manufacturer, promises immediate shipment.

LOOK AT THE PRICE TAG

by GUY FERGASON

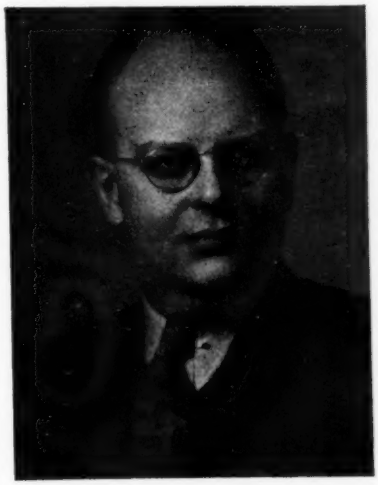
A FRIEND of mine was telling me the other day of the problems which confronted him as the result of a supervisory training program that had been started in his organization. According to his story his company had engaged the services of a professional leader and had put on the series "in order to get the supervisors to think about their jobs." Apparently a good job of selling was done because the supervisors started to ask questions and make suggestions. My friend seemed vexed that his supervisors took him seriously—or more appropriately stated, he was concerned because they had put a literal interpretation on his expressed desire for improvement.

His story is not important and as such has little relation to this article except that it started a chain of thought which ended in the basic idea for the article. The basic idea is best expressed philosophically in the hypothesis that "every action, every plan and every program has a price tag attached to it—this price tag, if one will only look, will tell the real price that has to be paid for accomplishment."

The Price Tag

The employee who, temporarily motivated by ambition and desire, resolves to get ahead and win promotions for himself, looks at the price tag and it reads—"Self-sacrifice and study; nights spent in school instead of being spent in pleasure and relaxation; better preparation than my competitors (associates); knowing more about my job than others; working harder, longer and more intelligently—giving a little more than the other fellow." The employee shakes his head and mutters, "Hell, there must be an easier way than that" and goes merrily on his path to mediocrity.

The employer who has been exposed to the ideas of better human relations within his company resolves to really train his supervisors and teach (or inspire) them to see their jobs in their full responsibilities. He looks at the price tag and it reads—"Do you really want your supervisors to think about their jobs? Do you really want them to ask questions and make suggestions?" Then the price is "Be prepared to answer the questions relating to promotion, security, rate of pay, discipline, reward for production, and in general the real advantages offered by the firm."



The author, owner and president of Fergason Personnel, entered the field of employment agency work with a background of insurance experience. His office is the only one in the United States, as far as we know, that deals exclusively in the placement of insurance personnel. Mr. Fergason is a well known author and speaker on personnel problems and aptitude testing. If the article raises any questions, Mr. Fergason will be glad to discuss his viewpoint with any reader.

The employer who embarks upon an attitude survey must be prepared to pay the price of accepting criticism and in some cases abuse. The employer who embarks upon a training program for the employees must be prepared to pay the price of rewarding those who respond to the training. Little of tangible value is ever accomplished without incentive.

The Easy Way

Probably the easiest company to manage is the company where the employees go through the activities of their jobs in an automatic way, neither questioning nor complaining, submitting to direction without hesitation; where the employees use no initiative, blindly follow orders and look to management with adoring eyes and adulation. If this sounds sarcastic, it is because in my exaggeration, I have tried to make it so. Fortunately the managements of most of our successful enterprises have looked at the price tag and are prepared to willingly pay the price to develop a hard-hitting, reliant and quizzical organization.

When little Buster says, "Papa, where do babies come from?" he is creating a problem for you which arises from (1) curiosity, (2) observation and (3) the desire for knowledge. Your problems as father-teacher are immeasurably reduced if Buster is an idiot who has no interest in babies and their place of origin. If, on the other hand, you

(Continued on the next page)

have inspired and encouraged Buster to ask questions, the price will be many hours spent in satiating the appetite which you have wisely created. All that has been said of Buster's father can be said of the employer. Create the objective viewpoint and be prepared to answer the questions. Create ambition and be prepared to satisfy it. Merit rate the employees and be prepared to defend it. Value the jobs and be prepared to pay the value.

Let's quit giving "lip service" and uttering mumbo-jumbo at the altar of scientific management. Let's start to *practice* a little of the stuff.

Do You Know Your Employees?

Do you know that probably 90% of your employees really do not feel that they are an inseparable part of your organization? Do you know that probably 90% of your employees have a cause of dissatisfaction which to them is important but which could be speedily dissolved by intelligent supervision? Do you know that probably 30% of your employees have abilities that are not being fully utilized? Do you know that one of the fundamental and principal causes of the success of unions is their success in making the member feel that he is a part of the union? At the members' level there is always someone who will listen to his complaints and take an interest in his opinions. He (the worker) has a tangible, visible and realistic contact with the union. Do you know that industrial supervision at the workers' level falls short of fulfilling the need of bridging the gap between the worker and top management? Do you know that the average employee respects discipline and favorably responds to reasonable regulation which disburses its rewards on the basis of merit? Do you know that the average office is really overstaffed, expressed in terms of the volume of work to be done?

Few office managers have analyzed their work in light of the changed conditions in order to determine if the volume has actually decreased. Many offices, particularly industrial concerns, do not realize that with the increased availability of raw materials and finished products duplicate ordering is no longer required—that larger and fewer orders can be placed—that back-ordering of customers' orders is no longer required—all of these factors tend to reduce the work load. Counter-balancing this condition is the reduced productivity of the workers. It would be interesting to make a comparison of the number of workers on the office payroll, the cost of the payroll and the volume of production for the years 1939, 1941, 1945, and 1946. Volume of production could be approximated by measuring the production on one or two major routines such as purchase orders written or vouchers written, or customers' orders handled (or requests for service). The production per employee has decreased faster than the work-load, hence more employees are required to process less volume. Whose fault is that? Let's be fair and admit that only a small part results from war conditions and that a large part results from our own failure to maintain discipline. This is not a critical comment, nor is it an accusative one. It's just a plain statement of fact.

How to Correct the Situation

The natural sequence would be if you were to say—"All right, I agree with you. So what? How do you think you could correct it?" I would have to reply that I have no patent medicine which will correct in one night something that has taken eight years (1939–1946) to develop. I will offer, point by point, what I think will go a long way in improving the situation. These points must be taken as a complete balanced meal and not selected a la carte to suit the tastes of the diner. In order to save space and time, these points will be listed with brief comments only—here is the design—you fill in the form.

Compare Job Values

1. I would compare the salary rates being paid on every office position from lowest to highest level. This can easily be done by ranking the jobs from lowest to highest and then by dividing the jobs thus ranked into ten or twelve classes, the jobs within each class being of the same relative level. List the employees' names vertically on the left hand side of columnar paper. List the ten or twelve classes of jobs horizontally across the top of the page. Post the actual salary paid to each employee in the column under which his or her job falls. *(See Exhibit No. 1.)* This is a comparison of job values. If an employee receives a considerably higher rate on a job than other employees doing the same kind of work, that employee should be promoted to a job carrying a higher level which will support the higher rate. The valuation of jobs and the valuation of people are separate operations. Valuable employees, because of superior ability and conduct, should be upgraded to higher jobs rather than be given indefinite increases on the same level of jobs.

2. I would compare the value of my employees in relation to the value of the jobs. Job values must be comparable at each level. Employees' value will vary according to the variation in productivity, conduct as exemplified by dependability, punctuality, regularity, cooperation, initiative, etc. *Value must be rewarded by promotion and recognition.* Merit rating, which compares the service value of employees, is the "balancing wheel" between personal value and job value. When rewards

Exhibit No. 1—Sample of Salary Comparison Chart

NAMES OF EMPLOYEES	Classes of Jobs based on Rank of Jobs.											
	1 HIGH	2	3	4	5	6	7	8	9	10	11	12 LOW
John Doe						$200						
Harry Roe				$250								
Amy Poe		$285					$175					
Dot Soe												

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(promotions and increasing in pay other than cost of living adjustments to basic wages) are given on any other basis than merit, inefficiency is being rewarded and injustices are being perpetuated.

3. I would start training my supervisors in the "art of human relations." I would impress upon them that their responsibilities are threefold: (1) production; (2) training and (3) human relations.

Prepare a Manual

4. I would prepare an employees' manual which would list and explain several important items:

(1) Advantages of working for my company. This is institutional advertising that attracts new recruits.

(2) Rules, regulations, and what I expect of my employees. I would give them a guide to their conduct.

Brief Explanation

(3) Explanation (brief) of my business and my business history. Applicants are evidencing an interest in the long range opportunities of an industry and of specific progressive companies within the industry. If you have something to offer your employees, I would tell them about it. I would appraise my sales points before trying to make a sale. I would crawl from beneath my barrel, put aside my reluctance to talk about myself and I would tell my story to the world. There are plenty of persons who are shooting at management—I would start shooting back with factual ammunition.

5. I would start right now in trying to find out what my employees think about me. I would try and appraise the level of moral in my organization. What are the gripes? What can be done about them? I would stop being a "manager" and start being a leader.

Ninth Inning

No, I haven't turned reformer, nor have I been associating too much with long-haired professors—I just have met lots of people who over the years have given me the score. We are in the ninth inning and we are going up to bat. A run right now would look mighty good in the statistics.

Your future is our business

Today

. . . a declaration which not only represents a concept of this Company's obligation of public service to its policyholders . . . but is also the principle underlying The Great-West Life's liberal compensation and assured retirement for its own representatives.

GREAT-WEST LIFE
ASSURANCE COMPANY
HEAD OFFICE: WINNIPEG, CANADA

LIFE ACCIDENT & HEALTH GROUP

INVESTMENTS

Coal — Oil — Gas

By WENDELL P. COLER

> "There is nothing permanent except change"—Heraclitus

WHEN we purchased our first automobile, a model T Ford in about 1923, the price of gasoline was 23.6¢ a gallon, there being little or no state tax on it. Gasoline through many of the years since that time has been cheaper than it was in 1923, yet securities of oil companies have been among the best to hold. In recent months the price of gasoline has advanced beyond the level of twenty-four years ago. There are increasing signs of the inadequacy of our domestic supplies. More and more oil companies are investing abroad in an effort to supplement their sources within the United States.

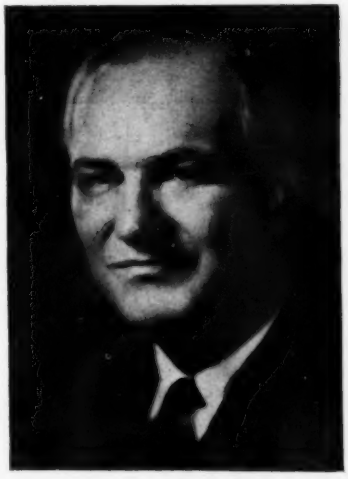
Under present conditions it is comforting to us as motorists to know that gasoline can be recovered from natural gas, from certain shales and from coal. To us as investors it may indicate an increasing obsolescence which may be a serious matter for the railroads and for some utilities and oil companies.

Production of bituminous coal in 1932 fell off to an average of 26 million tons per month, this being a little more than one-half of the average monthly production in 1923 and 1927 and 1929. The drop in the production of coal was a serious matter for the railroads. During 1944 the average monthly production reached its peak at 51,631,000 tons.

From 1921 on, petroleum production showed a steady increase, the drop in 1932 being made up the next year. This increase continued through the war years. Some part of this petroleum production has been used for the manufacture of gas to supplement that produced from coal. In recent years natural gas has been becoming more and more a factor in the production of heat and power.

There are four sources of power of considerable magnitude at the present time—coal, oil, natural gas, falling water. The last one is probably of the least importance. While further expansion is possible, yet it is expensive from a capital standpoint and its benefits are limited by the lack so far of an economical method of transmission for distances beyond a few hundred miles. We must look for our future power elsewhere.

Westinghouse Electric publishes periodically a magazine called "The Westinghouse Engineer." Its September number has an article entitled "The Bright New Future of Coal." Much of the information which I am including in this article is secured from that article.



Mr. Coler is a graduate of the University of Michigan, a Fellow of the American Institute of Actuaries and of the Actuarial Society of America. Prior to 1930 he served as Assistant Actuary of the Bureau of War Risk Insurance during World War I and supervised the readjustment of two fraternals to a legal reserve basis. In 1929 he became Secretary and Actuary of the American Life Convention and in 1932 Actuary of the American Central and Vice President and Actuary of the American United in 1937.

The problems in which investors have been interested include, (1) the status of the railroads with the possible decline in the use of coal or at least its transportation away from the mining area, (2) the usefulness of extensive pipeline systems built for transporting oil or natural gas in event of the exhaustion of the supplies, (3) the effect of increasing efficiency in the utilization of our prime sources of power, and (4) the possibility of commercial utilization of atomic power. The interesting thing which is discussed in the Westinghouse Engineer is the relationship between coal, oil and gas. Mr. Scarlott of Westinghouse points out that coal, oil and gas companies are all in the business of selling Btu's, hydrocarbons and chemicals. He visualizes liquid fuel originating in Wyoming, Colorado, Utah and the Dakotas furnishing the east coast with heat. The source will be coal-liquifaction plants. Many western states are rich in the poorer grades of coal which may in the future furnish gasoline diesel fuel, lubricants and many chemical items. He visions artificial gas made in the coal fields of Pennsylvania and West Virginia being transported in pipelines to heat and power homes and factories along the eastern seaboard. He looks forward to the use of gasoline made from coal as well as that now being made from natural gas and oil.

More Coal than Petroleum

The United States has great reserves of coal. Our supplies of petroleum and natural gas are much smaller. Quoting from "The National Fuel Reserves" by Arnold C. Fieldner reporting in "Mechanical Engineering," Mr. Scarlott gives the following figures with reference to our fuel reserves:

(Continued on the next page)

Oil—24.2 billion barrels, or about one-third of the world supply. Natural gas—160 trillion cubic feet. This is approximately equivalent in Btu's to the known reserves of petroleum. On the other hand, oil shale reserves are enormous and the largest are located in Colorado, Utah and Wyoming. It is expected that 100 billion barrels may eventually be recovered from this source. The total coal reserve is figured at 3.2 trillions of net tons, or about one-half of the world total. Reduced to percentages of present-known supplies the probable recovery from oil shale amounts to .8%, petroleum to .2%, natural gas to .2% and coal 98.8%.

Mr. Scarlott reviews the various methods of changing coal to gas or gasoline and other products by gas synthesis, coal hydrogenation, high temperature coke making, low temperature coke making, etc. Enough is said to raise again questions for the investor as to the future of our railroads, the obsolescence of parts of our utility plants, the forthcoming changes in house-heating and other things which will affect the security of our investments in bonds and mortgages.

Distribution Important

One of the most interesting things to me is the ready acceptance by Mr. Scarlott of the use of pipelines to distribute gas made in the coal-mining areas. There is nothing in the Scarlott article with reference to the economics of moving coal from its points of origin to other places before remaking it chemically into gas, gasoline and other products. This will be a matter of great importance to the railroads and to the real estate investor. There is sufficient in the article to indicate the practicability of utilizing old pipelines built for oil and natural gas transmission for the transmission of gas made from coal in case they go in the right directions. This will tend to reduce the concern of investors as to the permanent utility of natural gas pipelines.

Science is continually making many things obsolescent. Here is another reason for the diversification of life insurance investments.

Thus as motorists and consumers, the accomplishments of science in removing the fear of exhaustion of oil supplies is a comfort. Apparently we are to continue to enjoy individualized transportation. Furthermore, we need not fear submarine warfare so much as in the past as the use of coal to make gasoline will make us independent of foreign oil.

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MILLION $ ROUND TABLE

Record Membership

THE 1947 Million Dollar Round Table of the National Association of Life Underwriters, with 726 of the country's top flight personal producers enrolled, is the largest in its twenty-one year history, reports Harold S. Parsons, Travelers, Los Angeles, chairman. This year's Round Table includes 241 producing agents who have qualified for the first time, 133 who have qualified for two successive years, 75 who have qualified for three successive years to become life members, 107 existing life members who have registered for this year's Round Table, and 170 life members who have qualified again this year.

This year's total membership of 726 compares with 525 last year and 468 in 1945. The 1947 membership includes representatives of seventy-six companies, located in forty states and in the District of Columbia. Twenty-seven members of this year's Round Table are located outside of the United States. Five are doing business in Hawaii, nineteen in Canada, one in South Africa and one in India, stated Mr. Parsons.

WOMEN'S ACTIVITIES

Personality Parade

by RUTH M. KELLEY

IN THIS issue three more interesting and successful women field underwriters are introduced.

Mrs. Mildred Mingus—Member of the 1947 WQMDRT

"Pleasure and action makes the hours seem short—" it was said by Bill Shakespeare. The many activities of Mrs. Mildred Mingus, representative of the Penn Mutual in Ardmore, surely require more than twenty-four hours a day—time for her flies. Civic affairs and club groups are a very important part of her life. She holds a membership in the Main Line Business and Professional Woman's Club and the Woman's Club of Ardmore. Directorships are time-consuming and Mrs. Mingus is a director of the Main Line Soroptimist Club. She is a charter member of this group and is a former president. The "Old Washington Tree Chapter of the Daughters of the American Revolution" also have claim on her time—she is the recording secretary of this group.

The experience she gained as a secretary of a national tobacco company in New York and later as secretary and general office manager in a legal firm in Camden, New Jersey, has given her an excellent background to be successful in the life insurance field—and successful she has been.

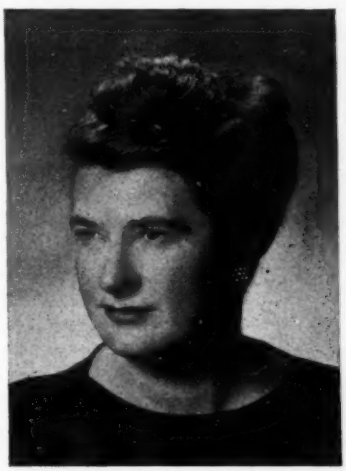
Mrs. Mingus has been associated with the Home Office Agency of the Penn Mutual for fifteen years and has been a frequent recipient of company honors. In 1946 she won coveted honors in being named as the top-ranking woman producer who wrote the greatest number of lives in 1946. Many other honors have been conferred on her both locally and nationally.

By the way, there is a man in her life—Captain Robert W. Mingus, her son. He served three years in the Pacific with the United States Army.

Congratulations to you, Mildred Mingus, and we are happy to have a leader such as you in the WQMDRT. We are looking forward to seeing you in Boston at the Round Table meetings.

Helen B. Rockwell—Chairman WQMDRT in 1938

Helen Rockwell's letterhead bears the insignia of an hour glass with the words "Tempus Fugit." In the flight of time since 1917 when Helen became associated with the National Life of Vermont in Cleveland, Ohio, she has accomplished much and contributed a great deal to the insurance fraternity both locally and nationally.



Miss Kelley started selling life insurance in 1937 with the Connecticut Mutual. In May, 1944 was appointed General Agent in Detroit, Michigan, for Manhattan Life—Kelley-Baum Agency. Qualified as a life member of the Women's Quarter Million Dollar Round Table in 1944; on the Executive Committee 1945–46 and Chairman 1946–47. Miss Kelley is a graduate of the University of Detroit and has been most active in extracurricular affairs. A Past President and Director of Detroit Women's Underwriters Association and on the Program Committee of the N.A.L.U. in 1945. Her hobby is boating.

This is a continuation of a series introduced in April. The purpose is to outline the more intimate data of the most successful women producers in the business. The backgrounds may differ in each case but all have achieved their goal—success in selling. We believe you will find this "Parade" most interesting and inspirational.

Fragile, Dresden-like in appearance, Helen Rockwell has strength of character and great understanding. Her personal integrity and thorough knowledge of our business has developed for her an outstanding clientele—a clientele that knows and respects her.

Cleveland is her native home. She was educated there and at Oberlin College, in which alumnae she has been active. Salesmanship was ingrained early in her career. In 1913 she was a bookstore salesman but it was not until 1917 she really found her life's work—Life Insurance. However, during that interim she had interesting experiences—X-Ray laboratory technician, employment and personnel work at General Electric Company, solicitor for Cleveland Federation of Charities.

Many honors have come to Helen—both in business and in her civic life. For many years she has been a member of the National Life's "Leaders Club"—Charter member and life member of the WQMDRT—served as National Chairman of the Committee of Women Underwriters in 1937 and 1938—Chairman of the WQMDRT in 1938—Member of Compensation Committee N.A.L.U.—director of Cleveland Association of Life Underwriters—Chairman Agents Advisory Council—Member Publicity Committee and is now Treasurer of the Cleveland Life Underwriters Association. The Women's City Club in Cleveland is an active club and Helen has been Director and Treasurer of that organization—and President and Director of Zonta Club in Cleveland.

Her writings and contributions have appeared in many national magazines and contributed to "Careers

[Continued on the next page]

for Women in Real Estate and Insurance" and "Life Underwriting as a Career for Women."

You have added, Helen, for all women in the life insurance business prestige, dignity and accomplishment. Your influence is like the rock thrown into the lake—the ripples created reach the far corners and we thank you, Helen Rockwell.

Ethel Elmer—Broker—Chicago, Illinois

Prospector deluxe—one of her best prospects—a lovely young daughter who has a complete life insurance program in force. Ethel almost lost the business to competitors, however, as she did not submit her first application until the baby was two days old (confidentially, I think she was asleep at the switch that first day, don't you?) During the first month of Baby's life eight life insurance underwriters called in person or on the telephone to sell her insurance!

Ethel operates on a brokerage contract basis because of the large amount of pension trust work she does. However, a good portion is placed through the Connecticut General Life Insurance Company as that is her first love. She was Office Manager for ten years of the branch office of Connecticut General and started her selling career as a life underwriter in 1942 and qualified for the Million Dollar Round Table in 1942 and in 1943 with $1,500,000 her first year in the business. She is a life and qualifying member of the Women's Quarter Million Dollar Round Table and qualified this year for Million Dollar Round Table with $1,318,000.

In her spare moments (what spare moments?) she has taken law—but is not a member of the bar. She is an enthusiastic collector of old glass —Early American being her favorite —has great pride in her home and is an outstanding hostess. Ethel will serve as our PARLIAMENTARIAN at the annual meeting in Boston.

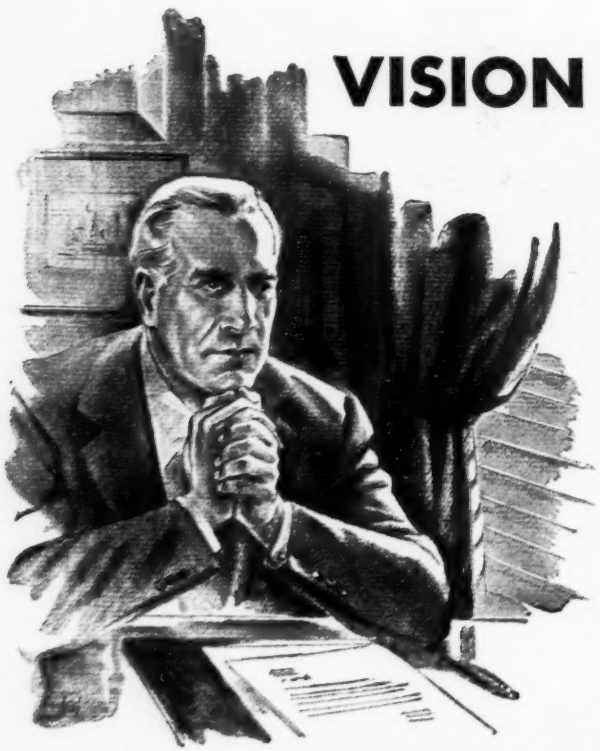
WOMEN'S ¼ MILLION CLUB

Record Membership

SHATTERING all previously established records, the 1947 Women's Quarter Million Dollar Round Table of the National Association of Life Underwriters closed its qualifying period with an all-time high of 214 members, according to Chairman Ruth M. Kelley, Manhattan Life, Detroit. This is a gain of 60 members over last year's membership.

Included in this year's membership are 84 women who qualified for the honors of the Round Table for the first time; 41 who qualified for two successive years; 52 who are life and qualifying members; 15 who are renewing life members; 21 who are new life members; and one honorary member.

These 214 women represent 49 of the country's prominent life insurance companies and are the daughters of 39 states, the District of Columbia, the Territory of Hawaii, Canada and Alaska.



VISION

THE PLAN of economic security for a man and his family requires vision that spans the years. Vision on the part of the man . . . and on the part of the company whose business it is to provide that security.

The Union Central, in planning the future, draws upon the experiences of a successful past. Now celebrating its Eightieth Anniversary Year, the Company has paid over $1,000,000,000 to policyholders and beneficiaries . . . is now providing $1,250,000,000 of protection for thousands of American families . . . and has assets exceeding $550,000,000.

Yet a company, like a nation, cannot remain a leader by glorying in the past. The Union Central's 80 year record, great as it is, is only a basic factor in a master sales and investment program to insure an even finer future for The Union Central and its policyholders.

1867 • 1947

Eightieth Anniversary Year

THE *Union Central* LIFE INSURANCE CO. CINCINNATI, OHIO

ACTUARIAL

Policy "Reserves" Explained

by FRANCIS M. HOPE
F.F.A., F.A.I.A.

WE HOPE this article will, for some readers at least, throw a burst of new light upon the mathematical mysteries of life insurance. New or additional light is certainly badly needed. Or at least the old lanterns should be brought out, burnished up and their power amplified. One of these has lain largely concealed under a bushel for more than one hundred years. True, it has been in continuous use by actuaries. Now it will be our privilege to bring it out and make it shine for the general public.

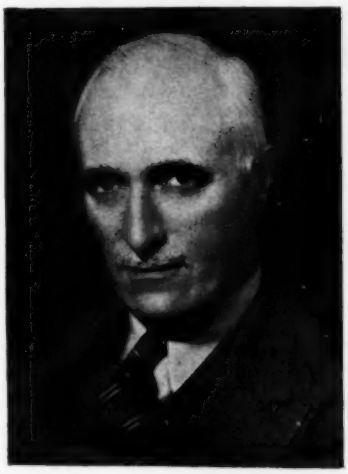
Science of Life Insurance

The urgent need for a revealing light on the workings of legal reserve life insurance is being demonstrated time and again by erroneous statements and implications made by authors in the public press. The authors, although brilliant men in their own fields, have not been properly informed in the science of life insurance. One cannot criticize *two and two makes four,* nor any true mathematical formula. Yet that is practically what some of these authors have unwittingly been doing. May we, without seeming to assume any superior attitude, say that it would indeed be refreshing if they would take time to read a primer on life insurance mathematics before rushing into print with descriptive or critical articles on our business. The latest instance of misapprehension has occurred in a write-up on our greatest life insurance institution in the July 28 issue of the well known weekly, *Life.*

This is at least the third notable instance which has recently come to our attention. Further on, after we have brought out our old lantern and amplified its power, we shall try to deal with each of the misconceptions of these authors. Yet we have no reason to think that any of them has other than a friendly attitude toward our great institution of legal reserve life insurance.

Responsibility

To begin with, who are responsible for public ignorance of the fundamentals of life insurance? Surely to a great extent our Companies and their Actuaries. Our educational propaganda, we are afraid, has not been very good. We have apparently only partially sold the schools on the *importance* of a course in life insurance fundamentals. More to our discredit we seem never to have presented the schools with a properly and interestingly written textbook or primer on such fundamentals. Do any of our textbooks, for example, deal with the simple split-up of premiums into deposit and protection elements? Have they dealt with "Future Life Value?" Have any of these textbooks gotten right away from the unfortunate and misleading word "reserve"? We have no right, if we value clear meaning, to apply the term "reserve" to the accumulations inside a policy which are really liabilities. If we want the public to understand let us restrict the word "reserve" to unexpired risk or mortuary funds and contingency funds. Further, have we made the schools realize what it means to the social life and economy of this nation to have a total of life insurance in force rapidly approaching $200,000,000,000 (with assets in the neighborhood of $50,000,000,000) *sold by persuasion on the elementary basis?* Undoubtedly the fundamentals of such a great force for building of individual character and social good should be *intelligently* taught in the schools.



Mr. Hope, a native of Scotland, served his apprenticeship in the Caledonian Insurance Company, Edinburgh. In 1907 he became a Fellow, Faculty of Actuaries in Scotland by Examination and joined Occidental of California in 1910 as Assistant Actuary. Rose to Vice President and Actuary in 1930; elected a director in 1937 and has been Actuary Emeritus since 1942. Became Fellow, American Institute of Actuaries in 1918 and President (1933) Actuarial Club of the Pacific States. Has authored numerous articles published in this and other insurance magazines.

Booklets on Fundamentals

There have, it is true, been a number of booklets written in an effort to explain the fundamentals of life insurance in a popular way. Some of them have gone into long arithmetical demonstrations as if the minds they were trying to reach were not accustomed to grasping a mathematical idea. By doing this they have failed largely to appeal to the imagination which has to be excited before a real interest in a subject can be created. Even in *elementary* articles on atomic theory, for example, the deep, yet simple, equation of Einstein for the transformation of matter into energy is usually given. The equation is, of course, $E=mc^2$,

(Continued on the next page)

where E stands for Energy, m for Mass and c for the Speed of Light. It is the glory of the human mind that it can grasp general principles.

Formulas

The science of life insurance also has its formulas, and it is on one of these that we are going to base this article. But in life insurance we are dealing with something far more subtle than physical energy, mass or the speed of light. We are dealing with human life and time. The life insurance formula on which we are going to base this article is an intriguing expression for the "reserve" of an Ordinary Life insurance policy, i.e., a Whole of Life Policy by Annual Premiums payable as long as the man lives. Here it is.

$$a_x \times {}_nV_x = (a_x - a_{x+n})$$

This is the old lantern which we are going to burnish up and make shine for all, not just for actuaries.

We hope the reader won't stop here in alarm for we think as he goes on he will find the demonstrations very simple. We shall present Tables giving arithmetical illustrations of the formula. We must, however, take a minute to explain the formula, and tell something of its history.

History

First, its history. The formula appears in all standard textbooks on actuarial science. It will be found on page 323 of "King," 1887 edition, and on page 110 of "Spurgeon," 1922 edition. It will also be found on page 151 of Henry Moir's *Life Assurance Primer*, 1925 edition. But when did it originate? The present writer has found it on page 192 of David Jones' work on *"Annuities & Reversionary Payments"* published in London in 1843. And he was pleased to find it repeated (with a reference to the exact page in Jones' work) in James Meikle's *"Analysis of the Profits of Life Insurance"* printed in Edinburgh in 1865. Meikle classes it among "neat and elegant" formulas and mentions it as very valuable for the accurate calculation of policy "reserves." Interesting to say, this very word "elegant" came quite spontaneously and independently to the lips of an actuarial friend in San Francisco when discussing this old formula.

From the above it is evident that the formula has been known to actuaries for at least 100 years and its usefulness long recognized by life insurance mathematicians. But has it ever been called from its restricted actuarial platform to a public stage in order to exhibit very simply and clearly to laymen in actuarial matters the nature and purpose of the "reserves" in a life insurance policy?

Second, the explanation of the formula. To begin with, let us restate it somewhat more simply, using particular age 30 instead of general age x, as follows:

a_{30} times V equals (a_{30} minus a_{30+n})

In this formula

a_{30} means the Price of an Annuity of 1.00 per annum payable as long as a man aged 30 lives, first payment of 1.00 due immediately.

a_{30} will also be the Amount of the Policy. *Please note this well.* We shall call 30 the "original age" because the man was 30 when the Policy was taken out.

V means the Value or "Reserve" of the Policy at the end of any particular year.

a_{30+n} means the Price of the same Annuity of 1.00 per annum to the man now "n" years older, where "n" may be any number of years from 1 to 70. Why 70? Because the man would then be 100 years old or at the end of the Mortality Table.

Meaning

We have, you see, multiplied the "Reserve" by a_{30}, because a_{30} is to be the Amount of the Policy. Now we have said that the "Reserve" for this Policy of a_{30} is equal to $(a_{30} - a_{30+n})$. What does this mean? *Simply that the "Reserve" of an Ordinary Life Policy can be stated as the difference between the Price of a Life Annuity at the orig-*

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inal age and the Price of the same Annuity at the age at which the policyholder has now attained. Could anything be simpler for anyone who understands the meaning of a Life Annuity?

Right here we must emphasize that, for illustrative purposes, there is no particular virtue in considering the Amount of Insurance to be a round sum like $1,000.00. It might, as in the formula, be the Price of a Life Annuity of One Dollar per annum at age 30 which would be $24.03, where the first payment of $1.00 is immediately due. In the Tables which we are going to present we shall consider the Amount of the Policy to be the Price of a Life Annuity (first payment immediately due) of not $1.00 per annum *but of $1,000.00 per annum.*

It may be wondered why we have chosen the Price of a Life Annuity of $1,000.00 per annum payable to the man as long as he lives as the Amount for which we are going to insure him. One reason is that when a man takes out insurance he should think of replacing his earnings. This seems a very good excuse, does it not, for insuring him for the Price of the Annuity of $1,000.00 per annum rather than just for one lump sum of $1,000.00. The second reason for insuring him for the Price of an Annuity of $1,000.00 per annum is that it is going to make the demonstration in our Tables, of the nature and purpose of the "Reserve" under an Ordinary Life Policy, exceedingly simple.

Another way to express the Price of a Life Annuity is to call it the Future Life Value of the man. If, in insuring his life, he has put a value of $1,000.00 a year on that portion of his earnings devoted to his dependents, then surely later on the Price of a Life Annuity of $1,000.00 a year at any attained age may fairly be called his remaining Future Life Value to these dependents.

Definitions

It is now time to present our Tables. Before doing so, however, let us give the following definitions:

(a) "Reserve" equals difference between Level Amount of Policy and Net Amount at Risk.

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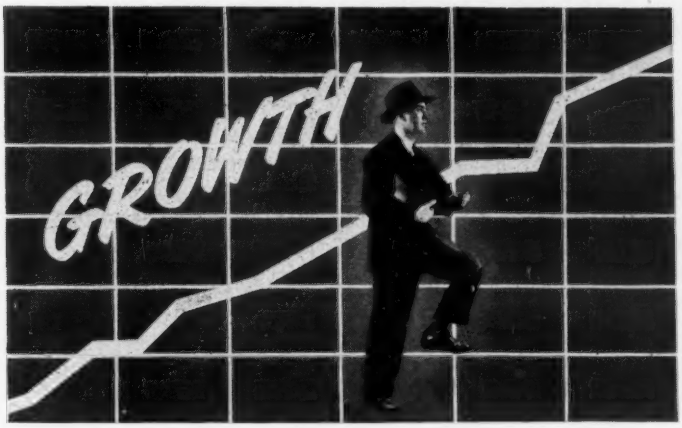

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(b) Level Amount of Policy equals Price of Annuity at original age 30.

(c) Net Amount at Risk equals Level Amount of Policy less "Reserve."

(d) Net Amount at Risk also equals Price of Life Annuity at attained age.

(e) Price of Annuity at attained Age may be called Future Life Value.

For mortality we shall use the new *Commissioners'* Mortality Table adapted for the insurance of *Standard* Lives under *Ordinary,* as opposed to Industrial, policies, designated the CSO Table for shortness. The rate of interest assumed will be 2½%. And how this interest works in building the "Reserve" inside the policy will be shown in Column 10 of Table II and again in Column 7 of Table I.

Table I shows with amazing simplicity the place and purpose of the "Reserve" in an Ordinary Life Pol-

(Continued on the next page)

icy. This it does by illustrating arithmetically year by year the use of our Formula or Equation

$$a_{30}x_nV_{30} = (a_{30} - a_{30+n})$$

The lefthand side of the Equation is Column 4 of Table I while the righthand side is (Column 2 minus Column 3), remembering that we have multiplied by 1000. Thus for the end of the 15th year, where the age has become 45, our arithmetical interpretation of the Formula by means of Table I is

15th Year "Reserve" or "Policy Accumulations" at attained age 45		Level Amount of Policy, i.e., Price of Annuity at original age 30		Future Life Value, i.e., Price of Annuity at 45 or Net Amount at Risk
5,640.45	equals	24,034.18	minus	18,373.73

NOTE. *Wherever in this article we mention "Policy Accumulations" we mean mathematical accumulations within, not in addition to, the Policy. They are generally greater than the "Cash Values."*

The intriguing thing is that the Net Amount at Risk is always the Future Life Value or Price of the Annuity at the attained Age, while the "Reserve" is the difference between the Prices of the original Annuity and the Annuity at the attained Age. This we *cannot* readily see when the Amount of the Policy is a round figure like $1,000.00.

Do we now realize that any difficulty we have had in understanding the nature and purpose of a Life Policy "Reserve" has been due to our concentrating on the Amount Insured as a Lump Sum instead of as the Replacement of an Income?

Table I illustrates the progress through the years of an Ordinary Life Policy for $24,034.18 issued at age 30. The Level Amount of the Policy appears in Column 2, the "Net Amount at Risk" year by year in Column 3. The reader understands, of course, that the "Net Amount at Risk" is the difference between the Level Amount of the Policy and the "Reserve" or "Policy Accumulations." The strange thing is that we know the "Net Amount at Risk" for this Policy before we get the "Reserve," the "Net Amount at Risk" being simply the Price of the Annuity of $1,000.00 per annum at *the attained age*. Insurance men usually think of the "Net Amount at Risk" as being the difference between the Level Amount of the Pol-

TABLE I—Ordinary Life Policy (Whole Life Insurance by Annual Premiums) issued at age 30. Amount of Policy: $24,034.18 — Annual Net Premium: $413.80. Basis: New Commissioners' Standard Ordinary Mortality Table with 2½% Interest. No allowance for expenses.

Age at end of Policy Year (1)	Level Amount of Policy being Price of Annuity at Age 30 (2)	Price * of Annuity of $1000 per annum at each Increase in Age (3)	"Reserve" ** at end of Policy Year — Col. 2 less Col. 3 (4)	Increase in "Reserve" (5)	Technical Deposit from Premium — Col. 7 Table II (6)	Contribution from Interest — Col. 10 Table II (7)	Policy Year (8)
x	$1000a_{30}$	$1000a_{30+n}$	$1000a_{30}x_nV_{30}$				n
30	$24,034.18	$24,034.18					
31	24,034.18	23,694.40	$339.78	$339.78	$331.49	$8.29	1
32	24,034.18	23,348.86	685.32	345.54	328.82	16.72	2
33	24,034.18	22,997.73	1,036.45	351.13	325.85	25.28	3
34	24,034.18	22,640.96	1,393.22	356.77	322.79	33.98	4
35	24,034.18	22,278.90	1,755.28	362.06	319.24	42.82	5
44	24,034.18	18,800.82	5,233.36				14
45	24,034.18	18,393.73	5,640.45	407.09	269.52	137.57	15
54	24,034.18	14,627.01	9,407.17				24
55	24,034.18	14,204.19	9,829.99	422.82	183.07	239.75	25
64	24,034.18	10,490.28	13,543.90				34
65	24,034.18	10,096.89	13,937.29	393.39	53.46	339.93	35
74	24,034.18	6,864.21	17,169.97				44
75	24,034.18	6,546.38	17,487.80	317.83	–108.70	426.53	45
84	24,034.18	4,127.71	19,906.47				54
85	24,034.18	3,909.08	20,125.10	218.63	–272.23	490.86	55
94	24,034.18	2,279.09	21,755.09				64
95	24,034.18	2,084.38	21,949.80	194.71	–340.65	535.36	65
96	24,034.18	1,840.86	22,193.32	243.52	–297.78	541.30	66
97	24,034.18	1,559.11	22,475.07	281.75	–266.42	548.17	67
98	24,034.18	1,268.62	22,765.56	290.49	–264.77	555.26	68
99	24,034.18	1,000.00	23,034.18	268.62	–293.19	561.81	69
100	24,034.18		24,034.18	1,000.00	413.80	586.20	70

NOTE: The price of the Annuity always includes a first payment of $1000, immediately due.

* The Price of the Annuity in Column 3 may be called the remaining "Future Life Value." It is the actual protection or "Net Amount at Risk."

** The "Reserve" shown in Column 4 may be called the "Policy Accumulations." It is not insurance but accumulations from the Deposit Element in the Premium. See Table II, Column 7. Observe how the "Reserve" is built into the policy alongside the "Future Life Value" (Col. 3) in order to keep the amount of the policy always level at $24,034.18.

icy and the "Reserve." But we have turned things around, found *with next to no trouble* the "Net Amount at Risk" first and then obtained the "Reserve," "just like that."

All that we have to do in order to get the "Net Amount at Risk" for this policy is to copy down the Price of an Annuity of $1,000.00 per annum at each age, 31 to 99, from a Table of Annuity Values, as we have done in Column 3 of Table I, using, of course, the CSO Table with 2½% interest. The "Net Amount at Risk" is, of course, the True Insurance. In the event of death it is paid out of the Mortuary Fund, built from the "Protection Premiums" in Column 5, Table II. The "Reserve," which appears in Column 4 of Table I, is what has to be built by the policyholder into the particular policy in order to keep the Amount level. This will all be explained more fully following Table II.

Income Replacement

Does it not seem, then, that we have what might be called an Income Replacement Policy right inside the Ordinary Life Policy? At least our "Net Amount at Risk" is the Price of the Annuity of the earnings of $1,000.00 per annum cut off by the man's death. In other words, the beneficiary will receive the present Value of the earnings of $1,000.00 per annum which would have continued if the husband had been a healthy man at the age when he died. She will also be paid the "Reserve" or "Policy Accumulations." Another appropriate name for "Net Amount at Risk" is thus seen again to be "Future Life Value."

To restate this whole matter a little differently, the "Reserve" is the difference between the original Future Life Value at the start of the Policy and the present remaining Future Life Value. That is all there is to it. If a man wishes to keep the Amount of his Policy level at the original Future Life Value he can do so only by building into it his savings. This is as if the Ordinary Life Policy said, Why man, you cannot get away from the decreasing value of your life. You may keep the Amount of your Policy level by building in your savings but don't kid yourself that you are keeping your Future Life Value level.

(Continued on the next page)

TABLE II—Showing, for Ordinary Life Policy of $24,034.18 issued at age 30, how the Annual Premium of $413.80 is divided between "Protection Premium" (Col. 5) and "Deposit" (Col. 7) and how the "Deposits" with 2½% interest build the "Reserves" at the end of each year (Col. 11). Basis: CSO Table with 2½% interest. No allowance for expenses.

Age at Begin. of Pol. Year (1)	Age at end of Policy Year (2)	One Year* Term Rate per $1,000 (3)	Price of** Annuity of $1,000 per Annum, 1st Payment Immediate (4)	Protection Premium — Col. 4 × Col. 3 (5)	Full Net Premium for Policy (6)	Diff'nce Col. 6 less Col. 5 being "Deposit" (7)	"Reserve" from end of Previous Year (8)	Total — Col. 7 plus Col. 8 (9)	2½% Interest on Col. 9 (10)	"Reserve" at end of Year (11)	Policy Year (12)
	30		$24,034.18								
30	31	3.4736	23,694.40	$82.31	$413.80	$331.49		$331.49	$8.29	$339.78	1
31	32	3.6395	23,348.86	84.98	413.80	328.82	$339.78	668.60	16.72	685.32	2
32	33	3.8243	22,997.73	87.95	413.80	325.85	685.32	1,011.17	25.28	1,036.45	3
33	34	4.0197	22,640.96	91.01	413.80	322.79	1,036.45	1,359.24	33.98	1,393.22	4
34	35	4.2442	22,278.90	94.56	413.80	319.24	1,393.22	1,712.46	42.82	1,755.28	5
										4,829.66	13
43	44	7.3264	18,800.82	137.74	413.80	276.06	4,829.66	5,105.72	127.64	5,233.36	14
44	45	7.8438	18,393.73	144.28	413.80	269.52	5,233.36	5,502.88	137.57	5,640.45	15
										8,984.12	23
53	54	15.0541	14,627.01	220.20	413.80	193.60	8,984.12	9,177.72	229.45	9,407.17	24
54	55	16.2440	14,204.19	230.73	413.80	183.07	9,407.17	9,590.24	239.75	9,829.99	25
										13,145.28	33
63	64	32.9372	10,490.28	345.52	413.80	68.28	13,145.28	13,213.56	330.34	13,543.90	34
64	65	35.6885	10,096.89	360.34	413.80	53.46	13,543.90	13,597.36	339.93	13,937.29	35
										16,842.99	43
73	74	73.6582	6,864.21	505.61	413.80	−91.81	16,842.99	16,751.18	418.79	17,169.97	44
74	75	79.8153	6,546.38	522.50	413.80	−108.70	17,169.97	17,061.27	426.53	17,487.80	45
										19,677.92	53
83	84	162.5050	4,127.71	670.77	413.80	−256.97	19,677.92	19,420.95	485.52	19,906.47	54
84	85	175.4968	3,909.08	686.03	413.80	−272.23	19,906.47	19,634.24	490.86	20,125.10	55
										21,581.49	63
93	94	338.2078	2,279.09	770.81	413.80	−357.01	21,581.49	21,224.48	530.61	21,755.09	64
94	95	361.9559	2,084.38	754.45	413.80	−340.65	21,755.09	21,414.44	535.36	21,949.80	65
95	96	386.5501	1,840.86	711.58	413.80	−297.78	21,949.80	21,652.02	541.30	22,193.32	66
96	97	436.2875	1,559.11	680.22	413.80	−266.42	22,193.32	21,926.90	548.17	22,475.07	67
97	98	534.8866	1,268.62	678.57	413.80	−264.77	22,475.07	22,210.30	555.26	22,765.56	68
98	99	706.9947	1,000.00	706.99	413.80	−293.19	22,765.56	22,472.37	561.81	23,034.18	69
99	100	975.6098			413.80	413.80	23,034.18	23,447.98	586.20	24,034.18	70

* The Charge for Mortality or One Year Term Rate (Column 3) is based on the age at the beginning of the Policy Year. It plays on the Price of the Annuity (Column 4).

** The Price of the Annuity Insured (Column 4) is the Net Amount at Risk during the Policy Year. It is based on the age at the end of the year. In theory claims are paid at the end of the Policy Year.

Actuarial—Continued

Now all that is necessary to bring everything to the scale of a Policy for the Level Amount of $1,000.00 is to divide each line in Table I by 24.03418. Taking age 45, for example, this will give us the Policy Amount of $1,000.00 in Column 2, "Net Amount at Risk" of 765.32 in Column 3 and "Reserve" of 234.68 in Column 4. A calculating machine does this in a jiffy.

Table II illustrates, for the same Policy as in Table I, how the level Net Premium of 413.80 is divided each year between a Protection Premium or Protection Element, which goes into the Mortuary Fund, and the "Deposit" which goes along with 2½% interest to build the "Reserve." We must remember that we are dealing with the technical construction of a Policy and that no allowance has been made for the necessary expenses and contingencies, except Mortality Contingencies which are taken care of to some extent in the CSO Mortality Table itself.

We think Table II explains itself. Observe that the "Net Amount at Risk," age by age, appears in Column 4. This has to be insured by the One Year Term Rate in Column 3, giving the Protection Premium in Column 5. Next, deducting the Protection Premium from the Full Annual Net Premium of 413.80, we obtain the Amount, available for Deposit to "Reserve," in Column 7. Observe how at age 74–75, for example, the Deposit shows negative. This is because the Protection Premium, 522.50, required to insure the "Net Amount at Risk" or Future Life Value of 6,546.38 has become greater than the Full Annual Net Premium of 413.80. But the interest of 426.53 not only comes to the rescue but provides an increase in "Reserve" of 317.83 as is neatly shown in Columns 5, 6 and 7 of Table I. The reader will understand, of course, how Protection Premium plus Deposit always add up to 413.80 the Full Annual Net Premium.

Explanation

We said we would explain the Mortuary Fund. This Fund is the reservoir into which the Protection Premiums from Column 5 of Table II go every year along with Protection Premiums from thousands of other policies. No particular policyholder or policy has a claim upon the Mortuary Fund until a Death Claim arises. Another name for the Mortuary Fund is Unexpired Risk.

All through this article up to now we have dealt with an Ordinary Life Policy. But exactly the same method of arriving at policy "Reserves" applies in the case of an Endowment Policy. The only difference is that we shall use Term Annuities instead of Life Annuities because the man has put a limit of years on his future earning period. He has reduced his Future Life Value consistently at every attained age making it run out at the end of the Endowment Period which might be at age 65.

Level Term Insurance, on the other hand, is not found to contain a Net Amount at Risk corresponding to Future Life Value. But, of course, Term Insurance of the In-

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come Replacement type does. In fact, as regards Future Life Value it is "nothing but."

Misstatements

We shall now refer in some detail to the erroneous statements or implications of authors in the public press mentioned in the early part of this article.

(1) We are indebted to an editorial in *The National Underwriter,* of February 8, 1946, for reporting the following misconception which (we have summarized) regarding life insurance "Reserves" printed in the Panhandle *"Herald"* of Panhandle, Texas.

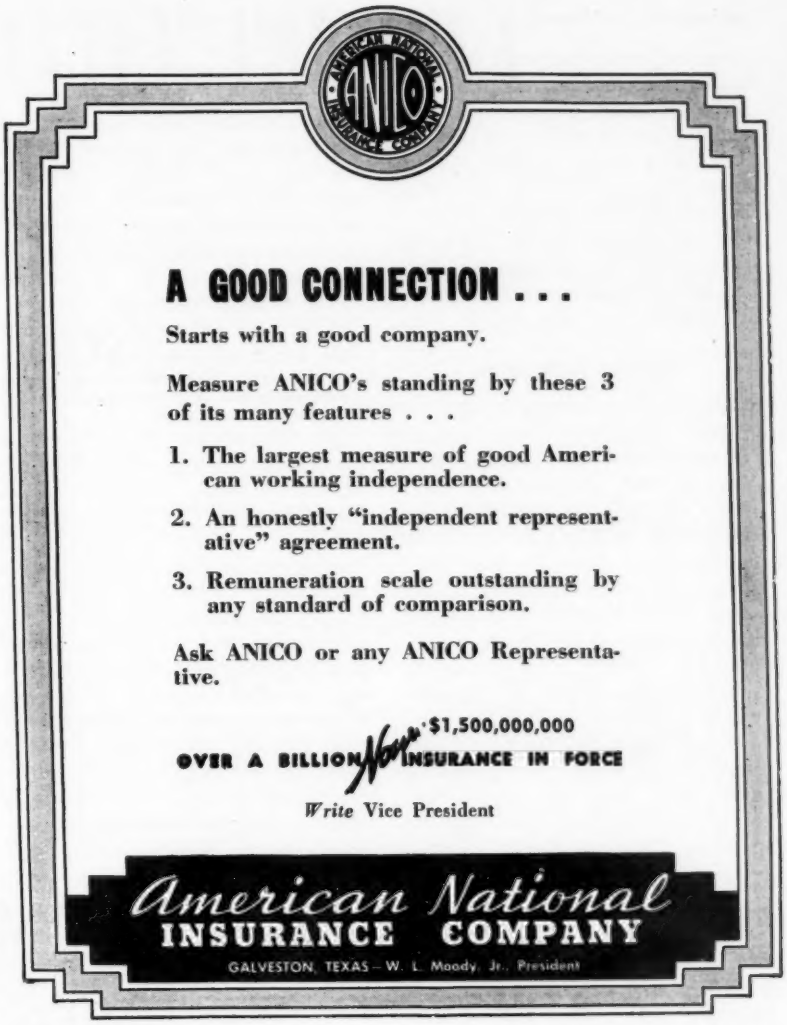
> Reserves increased 49% between 1939 and 1945 while insurance in force only increased 36%. Since the ratio between reserves and insurance must have been adequate in 1939, reserves in 1945 must have been over-adequate to the extent of $3,422,000,000. It is discrepancies such as this that cause Congress and other bodies to investigate life insurance companies.

Now here, undoubtedly, the Panhandle *"Herald"* was misled by that unfortunate word "Reserve." We have a lot of sympathy with the newspaper in its misconception. The explanation of the "Reserve" increase is, of course, that life insurance policies were of longer average duration in 1945 than in 1939. Consequently they had had time to roll up larger "Policy Accumulations" (so called "Reserves") within themselves. The essential growth of "Reserves," as policies get older, *while the amount insured remains stationary,* is plainly evident from Column 4 of Table I.

(2) In an article in the *Reader's Digest* for May, 1947, on the Federal Old Age Pension Plan, the author said in substance

> A life insurance company does not pay policy benefits out of reserves. Reserves are in the nature of contingency funds set up to repair averages disturbed by good policyholders quitting or by the extra mortality of an epidemic. In normal times life insurance companies always have paid and always will pay their claims out of current premiums.

The error of these ideas is very evident from Table I of this article where the Amount of the Policy in Column 2 plainly consists partly of the "Reserves" in Column 4. For example, if the man in our illustration died at age 45, the company would pay his claim of $24,034.18 by means of his "Reserve" of $5,640.45 plus Net Amount at Risk of $18,393.73 out of Mortuary Fund.



(3) We wish now to direct attention to the article in *Life* of July 28, 1947. It is there stated, with reference to the vast assets of Metropolitan Life Insurance Company, that

> Metropolitan has reached this position by making what appears to be a simple gamble: John Doe, the average man, will live longer than he thinks that he will . . . . . Metropolitan's Chief Actuary decides how much money Doe must pay in premiums so that Metropolitan will be able to pay Doe's widow when he dies and make a tidy profit by investing Doe's money in the meantime. This profit has become so tidy since 1868, when Metropolitan Life was founded, that the Company now holds in various specified investments more than $8 billion worth of assets.

Now, how in the name of reason can the word "profit" be used to describe the assets of a life insurance company when most of these assets are in the Policy Accumulations or "Reserves," for which the Company is liable to its persisting policyholders. How these "Reserves" are built is explained in Table II. Any definite "Profit" usually appears in "surplus" and this is a very small fraction of the assets.

Then there is a statement that

> Metropolitan, like other insurance companies, still computes premiums with the aid of Mortality Tables compiled in 1868. This is a highly profitable practice.

In this remark we have to acknowledge some sympathy with the writer but the impression it creates is mostly wrong. There may be truth in it with regard to Term Insurance of which, however, the Metropolitan and the Companies as a whole write comparatively little. In any event the Metropolitan, being a mutual company, returns mortality savings

(Continued on the next page)

Actuarial—Continued

even on Term Insurance in policyholders' dividends. So its Assets have not arisen except to a minute extent from mortality profit. And if John Doe lives "longer than he thinks that he will" he will simply be making the Company liable to him for bigger "Policy Accumulations" while the Company is increasing his dividends because of mortality savings.

Correct Explanation

The Old American Experience Table, which was made legal for "Reserves" by the State of New York in 1868, is used only to determine (a) the annual "deposits" which shall go into the "Policy Accumulations" and (b) how much shall be set up each year for "Unexpired Risk." Examples of reserve-building deposits are shown in Column 7 of Table II. You cannot possibly overcharge on a "deposit" which immediately goes to the credit of what might be called a "Policy Savings Account." The companies have been using the unnecessary *mortality* in the "net" American Experience Premiums for the purpose of helping to pay expenses or helping to meet interest shortages.

We are, however, glad that the Companies are now going on to a new mortality table for "reserve" purposes. But, strange to say, while the new CSO Table is generally much lower in mortality, it may in some instances require higher deposits to "reserves." This may in such instances require an increase in the premium charged.

One other statement made in the *Life* article must be noted, namely,

> With every dollar it receives in premium payments, Metropolitan earns 22¢ in profit.

We understand this "22¢ in profit" was arrived at by dividing the investment income of 1946 by the corresponding total premium income.

Here we have the word "profit" used again in such a way as to terribly mislead the reader not familiar with the technical workings of a life insurance company. Most of this so-called "profit" is interest which the company has *guaranteed* to build into the Policy. This is plainly shown in Column 10 of Table II and in Column 7 of Table I. When a company calculates its premium rates it assumes that it will earn a certain rate of interest on the "Policy Accumulations." Premiums could be calculated without any allowance for interest. If this were done the premiums would be much higher.

Now, to end with, may we hope that we have really done something in this article to bring out the old lantern, that "elegant" formula, and make it shine to great advantage on some of the obscure things in legal reserve life insurance. And what about a new simple imaginative primer on life insurance mathematics for the schools and general public? Who will write it? Would they read it?

THE INSURANCE ALMANAC

THE 1947 edition of The Insurance Almanac published by The Weekly Underwriter at 116 John Street, New York 7, N. Y. came off the press in early September. This book, containing in excess of 1,000 pages, provides a "Who's Who" of all fields of insurance, a list of associations and officers thereof, plus a substantial amount of miscellaneous data. Copies are available at the publisher at $5.00 each.

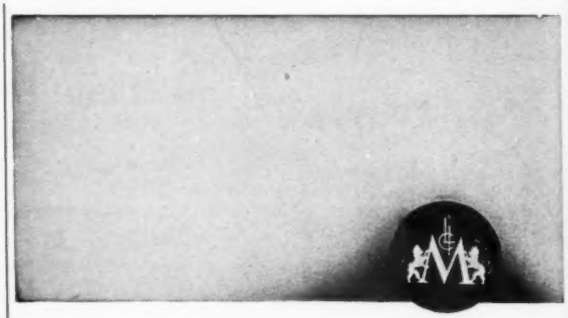
ATLAS . . .

. . . according to legend, supported the world. We have no such grandiose ambitions. If we can give a good living to our agents, sound protection to our policyholders and do this for a few states, we are content. Our agents and policyholders say we are doing our job—thoroughly.

Excellent territory still available in Arkansas, California, Kansas, Missouri, Oklahoma, Oregon and Texas. Write to—

ATLAS LIFE Insurance Company

JOHNSON D. HILL, PRESIDENT — TULSA, OKLAHOMA



Non-Cancellable Sickness and Accident Insurance for the needs you can't foresee.

Participating Life Insurance for the needs you can foresee.

Monarch

MONARCH LIFE INSURANCE CO.
SPRINGFIELD, MASSACHUSETTS

GUARANTEE FORMULA

PART II

by FREDERICK H. ALLEN

Mr. Allen, the author of this, the second of 2 articles dealing with rental housing, is the mortgage man (formerly Bowery Savings Bank, Chairman of Manhattan Development Committee) in the triumvirate, Harrison, Ballard & Allen, 123 East 77th Street, New York 21, N. Y. The firm is in effect "a private housing authority, equipped to act as consultant on, to coordinate, and to administer all the operations pertinent to housing, from a survey of area needs and the selection of a site, to the supervision of construction and the establishment of management policies." This firm offers small companies the same type of service usually available only to the largest investors in the housing field. It is not only possible but practical in some instances for two or more small investors to pool their available funds in order to invest in a rental housing project.

To facilitate such projects under today's conditions a new formula has been developed by this firm which is explained in this series of articles.

AS DISCUSSED last month, industry, which needs housing for its employees can collaborate with insurance companies in the building of housing. By guaranteeing the insurance company a return on the cost of a housing community for the first ten years, it is possible to mark down the investment as much as 50%. Therefore, at the end of the 10 year period, the insurance company is in a position to meet competition, if it develops as a result of any drop in the building costs.

The guarantee of a free and clear return on the cost of a housing community for the first ten years is not merely bait tossed out by the industry to enlist the interest of an investor. It is part of a clearly defined investment offer. All the groundwork has been done and the investment qualifications of the proposed housing community determined.

Step Number One

The A B C Steel Company, for an actual example, has taken the initiative and employed an impartial technical group to assemble all the parts necessary for the development of a housing program and the formulation of a bona fide investment offer. The preliminary study is comprehensive, and includes such salient points as (1) Needs of the company; (2) Analysis of the Housing market and type of housing needed; (3) Selection and description of a site, availability of utilities, etc.

The facts are assembled in clear, descriptive form similar to a bond or stock prospectus and reveal the underlying security of the equity housing investment.

The A B C Steel Company plans a $20,000,000 plant expansion. This will necessitate an increase of (1,000) people in the skilled labor force. In order to get new workers and thus protect production, it will be necessary to provide housing for them. But, in addition to this obvious need, the existing situation in housing is costly to the company. Only one third of the present employees live in the town where the plant is located. One third live within ten miles and one third live at distances greater than ten miles. This situation translates itself into costly absenteeism, turnover and labor competition from nearby industries. Therefore, the long time need now visible is approximately 5,000 living units—4,000 for workers now residing outside of the town and 1,000 for new employees. But the immediate *pressing* need in order to protect production of the expanded plant is to provide quarters for 1,000 new families by the end of 1948.

Market Analysis

Common labor constitutes only 7% of the employment in the plant. Ninety-three per cent are skilled workers. Thirty-three per cent of the new employees for plant expansion will be paid more than $3,500 per year.

The present day housing market is admittedly composed of people in the $3,500–$5,000 bracket and up, because of high costs. By the end of 1948, the A B C Steel Company will have more than 1,900 workers in this bracket. On the basis of these facts the preliminary study recommends a plan for 400 rental dwelling units to be constructed immediately, 400 lots to be laid out and prepared for sale for private houses, a shopping center and recreation areas, all integrated into a harmonious community.

Site Selection

Although the town in which the A B C Steel Company is located has a population of only 8,000, the industry supports a population of 25,000. Hemmed in by the river on one side and rugged terrain on the other, the small desirable space in the valley became built up twenty-five years ago, leaving little choice but to seek living quarters outside the town. Lack of public utilities on the heights prevented the expansion of the town in that direction in the past, but during the war utilities were installed in this area. The site chosen, 450′ above the river, alleviates the fog problem and the smoke from the plants will blow toward the site only 9% of the time. The convenience of the site to the plant and the freedom from smoke and fog will be important factors in the security of the investment.

As a result of the preliminary study, the A B C Steel Company has earmarked money for land acquisition and preliminary drawings. The assembled information now becomes an investor's prospectus on the basis of which an insurance company is invited to build the 400 unit rental housing community. Four hundred units represent only 40% of the immediate pressing need and 8% of the calculated long term need —an unusually protected investment indeed with a large buffer rental market.

(Continued on the next page)

Step Number Two
Memorandum of Understanding

If an insurance company likes the investment, a memorandum of understanding between the A B C Steel Company and the insurance company is executed without, however, irrevocably committing the insurance company to the building of the project at this stage. Certain provisions in the memorandum of understanding must be fulfilled before the insurance company is obligated to build. Some of these provisions are:

(1) Definitive estimates based upon lump sum bids must not exceed X dollars.
(2) Agreements with local government concerning sewers, water, roads, etc., must be settled.
(3) Land acquisition and all preliminary plans must be approved by the insurance company.

If the insurance company withdraws after the taking of bids because construction costs are too high, the A B C Steel Company is to assume costs up to that point.

Step Number Three
Insurance Company Is Committed

If the terms of the memorandum of understanding are satisfactorily followed out and definite estimates, based upon actual bids, are within the "X Dollar" amount agreed upon in the memorandum of understanding, the insurance company is committed to (1) acquiring the land; (2) proceeding with working drawings; (3) reimbursing the A B C Steel Company for preliminary advances; and (4) proceeding with construction.

It is important to note that the Guarantee Formula procedure, as developed in several cases to date, *does not commit the insurance company until realistic cost figures and a thoroughly satisfactory plan have been worked out* in considerable detail.

From the time of completion, the project must be considered a typical equity housing job, owned and operated by the insurance company or its designated agents. Tenant selection and other factors will have been worked out in contract form, for the ten-year guarantee period, between the guarantor and the insurance company.

By undertaking the preliminary study and earmarking money for land acquisition and preliminary drawings, the A B C Steel Company has clearly demonstrated its good faith and serious intent to get the housing community built. The insurance company is protected against unforeseen contingencies which would increase costs and is also able, by the guarantee return, to mark down the investment as much as 50% in the first ten years.

The equity housing guarantee formula, already developed in several cases, offers a new and attractive field of investment.

Specialist: "Could you pay for an operation if I found one necessary?"

Patient: "Would you find one necessary if I couldn't pay for it?"

The COLUMBIAN NATIONAL LIFE INSURANCE *Company*

BOSTON, MASSACHUSETTS

offers to its fieldmen a line of complete personal coverage including:

ACCIDENT & HEALTH
HOSPITALIZATION
SUBSTANDARD
WHOLESALE
JUVENILE
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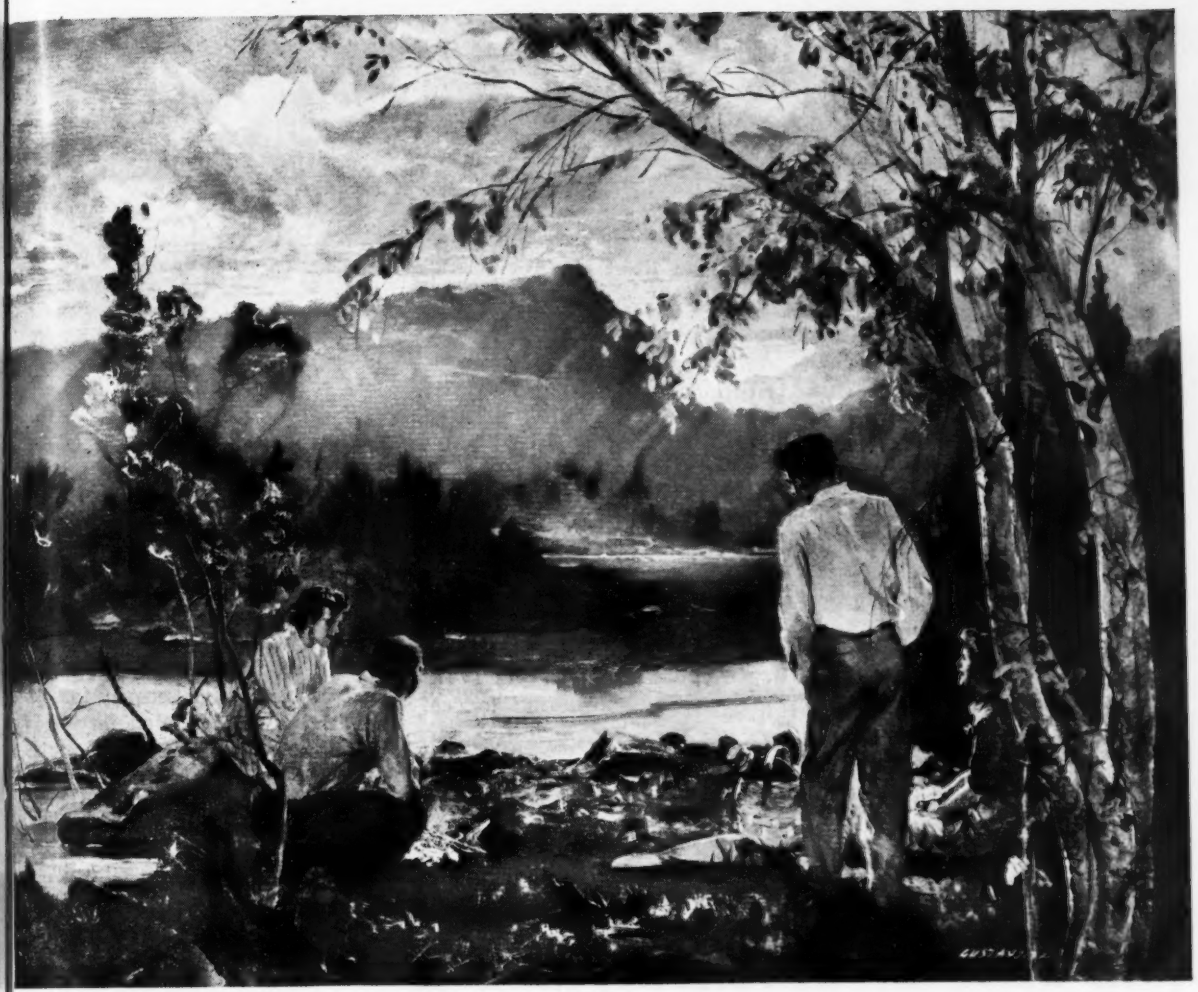
LIFE

BUILT ON INTEGRITY . . . GROWING ON SERVICE

A NEW ENGLAND INSTITUTION



Your kind of people

WHEN your wife says: "Let's have the Smiths for dinner," your immediate reaction is . . . *sure* . . . *I like them* . . .

The Smiths, somehow, are your kind of people. You like the way Ned plays golf, or the way he treats his children, or his ideas, or the active part he takes in worthwhile community activities — or a hundred other significant things that make him stand apart.

All your life you've felt this way about people and places and possessions as well as companies you do business with. The desire to stand with, and belong to, that which you believe in is as old and as natural as the human heart.

Many policyholders tell us that's the way they feel about Northwestern Mutual. If you'll inquire — and it will be well worth your while to do so — we think you'll discover why Northwestern Mutual policyholders are loyal and enthusiastic to a remarkable, *and significant*, degree — both about their company and the agent who serves them.

So when a Northwestern Mutual agent calls on you — see him. He's a career life insurance man — whose objective is wrapped up in your life plans, rather than just in the policies he delivers. Remember, Northwestern Mutual life insurance is available only through Northwestern Mutual agents.

THE **Northwestern Mutual**

LIFE INSURANCE COMPANY

Milwaukee, Wisconsin

★ 90TH ANNIVERSARY YEAR ★

No company excels Northwestern Mutual in that happiest of all business relationships — old customers coming back for more!

This Advertisement Appeared in the Saturday Evening Post

SUCCESSFUL SALES

by PAUL A. HAZARD, JR., C.L.U.

I THINK probably my most successful sales' idea of the last year or two has grown out of the realization that small employers, too, should set up retirement plans for their employees. However, they frequently shy away from the responsibilities of a pension plan, and with good reason, in many cases. I have found them entirely ignorant of the possibilities of the Profit-sharing Trust plan, which is often the only practical solution. I should add here that we always recommend supplementary pensions for the older employees who cannot be taken care of by the Trust.

From the very beginning of our discussions, and from time to time, we state that it is usual to invest some part of the Trust funds in insurance contracts in order to extend the benefits of the plan to the employees' families. As a result, we have so far placed life insurance contracts as one of the investments in every Profit-sharing Trust adopted through our efforts. For the past two years, we have been using Ordinary Life contracts, convertible to "Retirement Income" form at retirement age, upon payment of the difference in reserves; plus a small charge; in most cases for the amount which one-third of the initial sum credited to the individual's Profit-sharing account will purchase. The average insurance volume has been over $100,000 per case. Sixty percent of these plans installed for small companies have led to business insurance sales, which have strangely enough developed an average volume almost exactly equal to that resulting from the Profit-sharing Trusts.

To me, Profit-sharing for employees is only enlightened self-interest for the employers of the nation. Of course, Profit-sharing plans, properly installed and operated, afford a fine incentive to increased production and elimination of waste; turnover is reduced, and morale improved. But on a more significant scale. if we, as a people, are to preserve capitalism, we must make it work well for the benefit of the majority, not of the few. It seems certain that "profit-partnership" plans for our workers afford the most promising means at our disposal today for bolstering and re-vitalizing the capitalistic system.

And so I consider my most successful sales' idea is represented by the Profit-sharing plans adopted through my efforts—not merely because the plans have developed a good volume of business, not merely because hundreds of families have thereby received not only life insurance protection, but security for old age and in time of disability—but also because of its contribution to the economic health of our country, and to the future of your children and mine.

In spite of handicaps, Bob is "going great guns"

SAYS MRS. Robert B. McKinley

"Bob is happy in his work and that makes me happy too. While he was in the United States Army he contracted an illness which left him with paralysis. The resulting disability made it impossible for him to continue with the life's work he previously had chosen. Consequently, we were much concerned about the kind of work that Bob could undertake.

Robert B. McKinley of Lansing, Michigan, decided upon a life underwriting career with Minnesota Mutual when a demonstration of the company's Organized Sales Plans convinced him that, in spite of physical handicaps, he could achieve success as a salesman. Within four weeks after beginning his training program, Bob was in the field making presentations and closing business.

During the last six months of 1946 his examined volume totalled $335,514. In 1947 he is averaging over $100,000 of new business each month. Every application written is the direct result of the use of the Company's Organized Sales Plan—the plan exclusively used by many Minnesota Mutualities.

"Two elements were necessary. The work had to offer a satisfactory career for Bob. It would have to provide for us financially. With his joining the Minnesota Mutual, both requirements were met, because while he is learning a new career in life insurance selling, he is also earning a wonderful living for both of us.

"We both think that the life insurance business, and especially the proven Minnesota Mutual Organized Selling Plans that Bob is using so successfully, are the foundations upon which Bob can and will build the perfect career."

***The* MINNESOTA MUTUAL LIFE INSURANCE CO.**

SAINT PAUL 1, MINN. ORGANIZED 1880

Reports on Companies

GUARDIAN LIFE

Salary Experiment

On September 1, 1945, The Guardian Life Insurance Company, New York, N. Y. introduced a new plan for compensating agents. The plan consists of a base salary, plus incentive pay for production in excess of salary requirements and for persistency of the business sold.

During the first year the plan was in operation, the company made 59 salary contracts; 31 of these have since been terminated. In the 11 months ending July 31, 1947, there were 33 appointments under the salary contract and six terminations. "We've made some mistakes, but we've learned a good deal about the problems and possibilities of the salary form of agent-compensation," Guardian President James A. McLain said, in reporting on the company's two-year experience with the new plan.

The production of Guardian's salaried representatives has been relatively high: the 55 who are active have averaged $19,550 of paid-for new business, per-man-per-month, since their individual dates of employment. And their production has been well distributed; it has been placed through 27 of the company's agencies and there are no disproportionately large individual records.

The per-man-per-month average of paid business from the 37 representatives whose contracts have been terminated, from date of employment to date of termination, was $6,247.

The average size of policies paid for by all salaried representatives, since the plan was put into operation, is $4,600. This compares with the company's over-all average, during 1946, of $5,500.

Results

President McLain states that the most important by-product of Guardian's experience with the salary plan is a body of evidence which, combined with their records of all other field appointments, proves two things:

1. It is possible, on a company-wide scale, to screen prospective representatives accurately enough to eliminate—before any contract is made—all but a very few who are not qualified for life underwriting.

2. When qualified men and women comply with established work standards, individual production results may be forecast closely enough to fix a salary that can be earned.

"In the long pull," Mr. McLain says, "selection is probably no more important than training and supervision; but the record shows that where we have had trouble bringing men through under the salary plan, in most instances we were attempting to train and supervise a representative who had not met all of our minimum selection requirements."

Selection too Lenient

When the salary plan was first put into operation, Guardian set up comprehensive employment standards. However, because the plan was new—to the company and to its managers—they said they'd feel their way when it came to rigid adherence to those standards. For one thing, they had never before fully eliminated the financial uncertainty that holds so many good men back, and so couldn't be sure what that factor would mean. "Applying hindsight," according to Mr. McLain, "the result was inevitable: during the first year we made several contracts with men who looked exceptionally good to us, but who failed to meet our selection requirements on at least one or two counts. The record is significant:

"Of the 31 first-year appointments we have terminated, only two were fully qualified under our selection standards; 29 were borderline cases and, if we had hired as well as we know how to hire, not more than two or three of them would have been employed. Among the 55 representatives who have made good, the application files show that only two fell short of a fully-qualified selection rating."

The salary plan has many advantages, but it is not a panacea; Guardian's experience indicates, definitely, that it will not make successful life underwriters of men and women who lack any important qualification for the work.

We get a much different and a very encouraging picture when we examine the records of representatives who met all qualification standards at the time of employment. Of the 30 who have completed a full year

(Continued on the next page)

To the Career Underwriter

THE PAN-AMERICAN LIFE OFFERS:

A complete line of Policies on Participating and Non-Participating Plans. One of the most liberal Agency Contracts in America. A Recruiting Plan and Special Training for New Fieldmen. A New System, relieving General Agents from detailed Agency Accounting. Attractive and Effective Sales Aids and Policy Illustrations. Prospects for Insurance furnished through a Proven System.

OVER THREE HUNDRED MILLION IN FORCE

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CHARLES J. MESMAN, Superintendent of Agencies

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NEW ORLEANS, U.S.A.

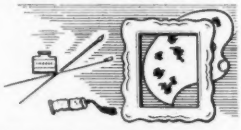
CRAWFORD H. ELLIS, President

EDWARD G. SIMMONS, Executive Vice-President

KENNETH D. HAMER, Vice-President and Agency Director

FIDELITY

THE COMPANY BACK OF THE CONTRACT



BALANCE MAKES THE PICTURE

Master works in Art represent the ultimate in careful selection of subject, composition, tone and hue, each arranged to aid and complement the other. It is this balance in Art that distinguishes the great from the mediocre.

Though the values differ, the same principles of balance apply to Life Insurance. Farsighted policies that make for consistent growth, a wide offering of contracts, respect-commanding size. . . these and many other factors must be combined to make a well-balanced life insurance institution.

Fidelity is a well-balanced company.

The FIDELITY MUTUAL LIFE INSURANCE COMPANY

THE PARKWAY AT FAIRMOUNT AVENUE

PHILADELPHIA • PENNSYLVANIA

under the salary contract, 24 exceeded their production requirements and earned incentive pay; three were so close that no salary reduction was necessary; and one of the three that did accept a lower salary for the second year is going at a rate that the company believes is almost certain to put him in the incentive pay class on his next contract anniversary.

Average Salaries

The average monthly salary for the 30 representatives who have completed their first contract year is $251.67; the largest salary in the group is $450; the smallest, $150. The average amount of incentive pay earned for the year was $784.91; the largest amount was $2,430.27; the smallest, $65.85.

Guardian states that the salary-and-incentive-pay plan is a basically new approach to the compensation problem; it is in no sense a re-shuffle of the traditional 50-and-nine-5's commission contract, and it is not in any way related to advances against future earnings. The contract sets up specific work standards; and if those standards are met, it may be renewed annually during the business lifetime of the representative.

Salaried representatives are direct employees of the company. In addition to the group insurance and contributory and non-contributory pension plan rights of commission agents, they qualify for Federal Social Security benefits.

Objectives

The salary contract was built up to meet eight objectives that the company considered essential to a sound compensation plan:

1. There should be a base salary large enough to cover necessary living expenses, without lowering the representative's established standard.
2. Full payment, in addition to the base salary, should be made for results superior to those required to earn the salary; there should be no ceiling on earnings.
3. Payment should be made for services when rendered; the representative's greatest contribution is made at the time of the sale and during the early life of the policy.
4. Length of service to the company should be rewarded, in addition to retirement benefits, by a length-of-service factor in the salary formula.
5. Good management of personal and family finances should be encouraged (the base salary, paid semi-monthly, covers necessary living expenses; incentive pay, paid quarterly during the contract year after it is earned, takes care of savings and extras).
6. Increases in base salary should be determined by the representative's ability to earn incentive pay.
7. The base salary should be stabilized in every way possible. This is important in the early years, but the longer the term of service, the more important stabilization becomes.
8. Total compensation to the full-time successful field representative should be the maximum that the interests of the company's policyholders will permit.

In Practice

In practice, the Guardian salary-and-incentive-pay plan pays more than a commission contract for the same satisfactory production, of good persistency, from the day the business is sold, and as long as the representative remains with the company.

The simplest explanation of the salary plan in operation can be made by high-spotting the steps taken when the company employs a representative; then, by assuming a reasonable record during his first few years in the field, showing how the plan pays off.

Preliminary approval of each prospective representative must be obtained from the home office. This approval is based on: (1) the company's personal rating chart; (2) confidential information furnished by the applicant; (3) the Strong Vocational Interest test; (4) an inspection report; (5) the manager's over-all appraisal and his specific reasons for recommending the applicant.

About 40 per cent of all salary contract negotiations are broken off in the preliminary approval stage, the company reports. "This is a step in the screening process where objective judgment is absolutely essential," Mr. McLain says. "We cannot always be sure that a man will succeed because he has a given background and certain personal characteristics; but we do know that when his score falls below a fixed minimum, his chances for failure are too great to warrant the investment of policyholder funds in his development as a salaried representative."

When preliminary approval is given, it means that the company has a prospective representative with the characteristics that promise a successful life insurance career, plus the personality and background that should make it easy for him to fit into its local organization.

The next step is the manager's detailed appraisal of the prospective representative's market: the people he already knows. This is the make-and-break point in the entire selection process. Men have come into the life insurance business and made outstanding records selling to total strangers; but, according to Guardian experience, those men are dangerously misleading exceptions to over-all experience: day in and day out, 60 per cent of all life insurance sold is placed on the lives of people the agent already knows.

"Whether the contract is commission or salary," the company reports, "we know that 60 per cent of the production we have any right to count on from a new man must come from people he knew before he joined us. Largely if not entirely, the contract terminations we have made can be traced to a natural desire to help otherwise promising men (most of them young veterans with a lot of personality and drive) earn substantial salaries without an adequate market."

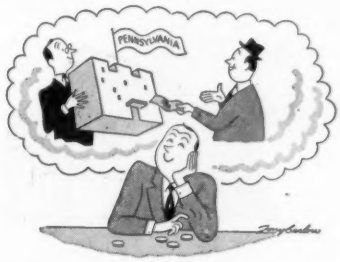
Early Stages

Once his market has been evaluated (Guardian uses a well-tested formula that tells them what to expect in production from given age and income groups), the prospective representative's budget is carefully consid-

(Continued on the next page)

1. Bouncing Ben, the buyer for a merchandising chain, has to travel quite a lot and buy with might and main. "I don't know why it is," Ben says, "but I buy at my best when at the Pennsylvania where I really *am* a guest.

2. "Perhaps it is the good night's sleep in Pennsylvania's bed with its eight hundred springs and more, that keeps me out ahead. I bounce out every morning, fit to set the world on fire. If beds like those are ever sold, remember—I'm a buyer!



3. "The Pennsylvania's spot is swell for busy traveling men; it's really in the heart of town," says bouncing buyer Ben. "Their hospitality is tops . . . they treat me so darn well that if I had sufficient cash, I'd buy the whole hotel!"

P. S. Here's a tip for your trip. Try to plan your visit to Hotel Pennsylvania for Friday, Saturday, or Sunday—that's when you'll have the best chance of getting the kind of accommodations you want!

Direct Underground Passage From Pennsylvania Station

1907 — FORTIETH ANNIVERSARY — 1947

IDEAL FOR CAREER MEN

Protective Life announces a new Compensation Plan for its Field Forces, including:—

- Liberal first-year and renewal commissions
- Vested Renewals
- Life-time service commissions
- Retirement Plan
- Group life insurance
- Hospitalization and surgical benefits.

General Agency Openings for qualified Life Underwriters in Kentucky, Texas, Georgia and Tennessee.

PROTECTIVE LIFE
INSURANCE COMPANY

WILLIAM J. RUSHTON
President
BIRMINGHAM
ALABAMA

INSURANCE IN FORCE OVER $275,000,000

MORE THAN A CONTRACT

Behind every policy written by Monumental stands more than a written contract. There is a financial stability second to none, a carefully selected field force trained in the ideal of service, and the experience gained in eighty-nine years of sound life underwriting. Both representatives and policyowners find it pays to be associated with Monumental.

MONUMENTAL LIFE
INSURANCE COMPANY

HOME OFFICE • CHARLES and CHASE STS. • BALTIMORE
CHARTERED 1858

ered. *If he can live comfortably on the salary his market gives him a good chance to earn,* and if he can pass a satisfactory physical examination, he is likely to be offered a contract.

During his first month, the representative's time will be spent learning about the Guardian product and familiarizing himself with the company's selling procedures. He will be carefully coached in the use of Graph-Estate as a means of creating and building up sound life insurance programs. The company believes the effectiveness of this plan, and its practical appeal to policyholders, has had a lot to do with getting our salaried representatives into production quickly—and giving them a large average size sale for new men. For this period he will receive a training allowance; his contract will date from and his regular salary commence at the end of the training period.

The representative's salary is, ideally, the minimum amount that will meet his budget. In some instances, the market analysis shows that the company would be justified in paying a somewhat higher salary than the budget makes necessary; in those cases they recommend the salary called for by the budget, as incentive pay fully covers any excess production. Whatever the agreed salary, it is fixed for one year; it will not be changed during the first 12 months.

Production Ultimately Controls

Eventually, a representative's production results control the amount of money he earns (through incentive pay and salary increases or decreases), but his salary is paid for completing a stated work schedule. When related to his market and other factors that were considered before he was employed, the company knows what that work schedule should produce; therefore, the emphasis is placed on getting the job done.

It is also a contractual requirement that the representative sell only Guardian life insurance.

The formulas used in calculating a salaried representative's earnings are complicated; but the results of their application to a year of work in the field are simple enough.

How Plan Works

Each representative is credited with all business he pays for. Term insurance must not exceed 25 per cent of his total production and there are one or two forms that takes special handling; otherwise, policy type and premium-per-thousand have nothing to do with production credits; $10,000 of paid business is $10,000, whether it is ordinary life at age 25 or 20-year endowment at age 45. Length-of-service becomes a continuing factor in the second year. Persistency of business is rated in the third and following years.

As an example of how the plan works out in practice, assume a salary of $200 a month and production credits of: first year, $160,000; second, $190,000; third, $250,000; fourth, $150,000. The salary is lower than the

average of $251.67 now being paid by Guardian, and the production is substantially less than average results from all of their salaried representatives.

First-year results are enough to cover the salary of $2,400 and earn incentive pay, too. Under the plan, incentive pay must be earned in two successive years before a base salary will be increased; therefore, the $200 per month figure holds for the second year.

Production credits of $190,000 in the second year give the representative a substantial amount of incentive pay and an increase in his base salary at the end of the year. During the third year, $250,000 produces more than double the incentive pay earned in the second year; the persistency of his business is figured for the first time, and it all adds up to a very good increase in the base salary payable during the fourth year.

Stabilization Factor

To illustrate the salary stabilization factor, it is deliberately assumed that the representative ran into a prolonged production slump in the fourth year—down $100,000 to total production credits of only $150,000. Because length-of-service is a real factor, even in the early contract years, his production of $150,000 is enough to meet his fourth year salary requirements, earn him a small amount of incentive pay and give him a salary increase in the fifth year.

Under the plan, a production that is not enough to cover the salary paid may result in a salary decrease during the following year; however, that is the only adjustment made; the representative is never in debt to the company.

Length-of-service and persistency-of-business factors give the contract another advantage that appeals strongly to Guardian representatives. Unlike the commission contract, earnings from a level production never reach a peak. For example, a production sufficient to earn $3,125 in salary and incentive pay the first year would, if continued, pay $4,018 in the fifth year; $5,019 in the 10th; $5,909 in the 20th; and $6,477 in the 30th year.

Mr. McLain says that, "In so far as two years of experience with the plan can be conclusive, we believe it contributes materially to the company's job of building a full-time organization of field representatives, trained to give sound, continuing service to our policyholders.

"From the representatives' viewpoint," he states, "the plan offers what would seem to be an ideal combination of the security that comes from a dependable source of regular income, and a total earning range limited only by ability and performance."

Obviously, the Guardian statement points out, these advantages will not appeal to all men and women looking for careers in life insurance. Those who want to avoid a full-time company relationship, who find close direction and supervision distasteful, and who are willing to assume the risks of wholly independent operation, will undoubtedly choose the commission form of compensation.

It is important to the company, and to those representatives whose ambitions point to agency work, that

(Continued on the next page)

When convenience counts . . .

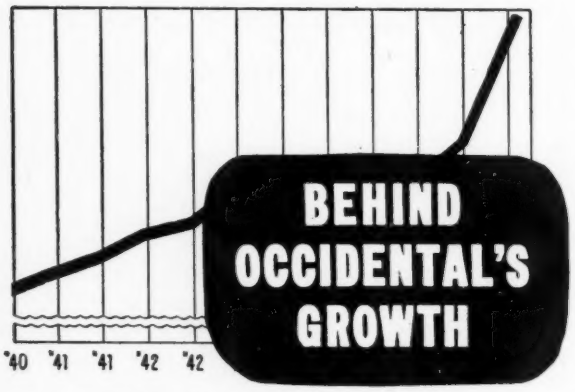
• When convenience counts and comfort is important you'll appreciate the central location, the friendly hospitality of Hotel Cleveland. In the very heart of Cleveland, adjoining Union Passenger Terminal, garage, and Terminal office buildings. Convenient to stores, theatres, boat docks, Public Hall, Stadium.

Hotel Cleveland

Cleveland, Ohio

Your Best Hotel Value in Denver

Look First at the Shirley-Savoy for Your Home-Town Friends



In the sunshine of Occidental's substantial business increases stands an alert group of field representatives, business men with substantial incomes and a retirement income on the horizon.

Each of these men is flanked by home office co-operation, proven sales aids and exclusive policy features. Together they form a winning combination.

OCCIDENTAL *Life*
INSURANCE COMPANY
HOME OFFICE
RALEIGH, NORTH CAROLINA
LAURENCE F. LEE, PRESIDENT

WE HAVE GOOD TERRITORY OPEN

all steps in the plan build a sound background in the two essential phases of field management: hiring and training. The company has a program for early promotion to management from the ranks of its salaried representatives; so far, one representative has been made an agency manager and three appointed as supervisors.

"Because the company's money investment is considerable and direct," President McLain concludes, "the character of field management is the key to successfully operating the salary-and-incentive-pay plan. The home office can assume joint responsibility for selection and provide the materials and policy for training and supervision, but day-to-day leadership is the full and in many respects sole responsibility of the agency manager. Consequently, we recognize good leadership by paying incentive compensation to field managers during the lifetime of a salary contract."

JEFFERSON STANDARD

Executive Promotions

C. E. Leak, Executive Vice President of the Jefferson Standard Life Insurance Company, Greensboro, N. C., has announced important personnel changes in the company's official staff.

Vice President M. A. White (1923) who has been associated with the Agency Department for many years will no longer be connected with that department. This change will enable Mr. White to devote his time to a broader field of executive duties.

Karl Ljung, Agency Manager, will now have full charge of the company's agency operations and in his capacity as an officer of the company will be the chief agency official in the company. Mr. Ljung has been with Jefferson Standard for 27 years, the past 16 having been in the Agency end of the life insurance business.

R. B. Taylor, C.L.U., who is in the Agency Department of the company having served as Assistant Agency Manager, has been promoted to the position of Associate Agency Manager. Mr. Taylor has been with Jefferson Standard continuously since his graduation from the University of North Carolina in 1928.

Carlyle Gee, who has had long service in the Agency Department of Jefferson Standard has been promoted from the position of Superintendent of Agencies to that of Assistant Agency Manager.

KENTUCKY CENTRAL LIFE & ACCIDENT

Economic Security for Employees

This month the Kentucky Central Life & Accident Insurance Company, Anchorage, Kentucky, announced the adoption of an economic security plan for field representatives and employees. The plan will consist

of Group Life Insurance, temporary total disability benefits due to sickness and accident, total and permanent disability benefits, hospital, service and surgical expense reimbursement, for members and their families and monthly retirement income payments. It is a contributory plan.

All full time employees and agents come under the plan immediately and future agents and employees will receive such coverage as soon as they are appointed or are employed.

LIFE INSURANCE OF GEORGIA

New Sales Districts

Appointment of C. C. Hewett of Savannah, Ga., with the company 40 years, and Claude D. Cothran of Greenville, S. C., with the company 20 years, as Assistant Superintendents of Agencies for the Life Insurance Company of Georgia has been announced by J. N. McEachern, president.

Simultaneously two of the company's divisions are being separated into five divisions and four new districts are being established in South Carolina and Georgia.

Coastal Georgia division is separated into two divisions:

Augusta Division—D. O. Hamby, former Augusta district manager, division manager. A new district is established at Dublin with A. D. High, former staff manager there, as district manager.

Coastal Georgia Division—C. R. Sills, former Savannah district manager, division manager.

Western South Carolina division is separated into three divisions:

Greenville Division—G. F. Tucker, former Greenville district manager, division manager.

Columbia Division—H. Q. Jones, former Sumter district manager, division manager.

Greenwood Division—C. C. Cothran, former Greenwood district manager, division manager.

New South Carolina districts are established at Chester with R. H. Kirven, former staff manager at Kershaw, as district manager; at Union, with G. B. Sparks, former special agent at Gaffney, as district manager; at Laurens, with H. A. Lindler, former staff manager for Laurens and Winnsboro, as district manager.

F. L. Ashmore, special agent in Greenville, S. C., succeeds Mr. Tucker. C. I. Latham, special agent in Rock Hill, S. C., succeeds Mr. Jones. L. T Adams, district manager at Gaffney, succeeds Mr. C. C. Cothran at Greenwood. H. O. Holliday, special agent in Greenville, succeeds Mr. Adams at Gaffney.

MUTUAL BENEFIT

Writing Sub-Standard

Applications from those who cannot be insured at standard rates have been accepted by The Mutual Benefit Life Insurance Company, Newark, N. J., since

(Continued on the next page)

WHY NOT BUILD YOUR OWN AGENCY?

Yes, Why Not Cash in On Your Ability to Organize and Head Up Your Own Office?

No matter how good you are, you can only go so far as a personal producer. Then to advance, you must multiply yourself through an organization of able producers.

If you have a good record as a personal producer . . . if you have the necessary spark of initiative and organizational ability . . . why not check with us on the possibilities of the immense future you might enjoy at the head of your own agency?

30% GAIN

A remarkable record of growth . . . an in-force gain of 30% during the single year of 1946 . . . reflects the rich possibilities of progressive principles combined with real merchandise and purposeful cooperation.

One of our Prominent General Agents Says:

"I would choose C.A.C. because it has financial standing to satisfy any prospect, a selection of policies second to none, service is equal to the best, and its people are human in helping you work out your entire insurance problems."

ONE OF AMERICA'S FASTEST GROWING LIFE INSURANCE INSTITUTIONS

Ask for Details About Our Splendid Agency Plan

Continental

ASSURANCE COMPANY

CHICAGO 4, ILLINOIS

affiliated with

CONTINENTAL CASUALTY COMPANY

TRANSPORTATION INSURANCE COMPANY

The COMMONWEALTH Commentary

THE JONES FAMILY, INC.

We are prone to think of the results of the war as being universally regrettable; and yet there is one result of the war and its aftermath which is thoroughly good. This is the binding together by closer ties of the average American family.

This being so, problems affecting the family as a unit are well worth our attention, and foremost among them is this one: the family which is not protected by adequate life insurance is *itself* in the life insurance business—that is, the risks are present, and the family is underwriting them by balancing against them any savings the family might have, together with liability to hardships, and sacrifice of plans for the future. Life insurance companies usually pay their obligations in cash—but the unprotected family, which thus becomes a miniature life insurance company, may have to pay its claims in harder coin—privations and regrets. Surely that family would like to get out of the life insurance business while it can, by payment of a premium, transferring its risks to a company which can disperse them over a wider area. This is a picture worth painting for your next difficult prospect.

Insurance in Force May 31, 1947—
$320,137,304

COMMONWEALTH
LIFE INSURANCE COMPANY
LOUISVILLE • MORTON BOYD, President

MUTUAL BENEFIT—Continued

September 1, according to announcement by that company. In broadening its service to include persons with up to 200% average mortality, the new set-up, divided into 4 classifications, should make acceptable to the Mutual Benefit approximately 90% of all business submitted in the insurable sub-standard field. The company is not planning to reinsure this "Special Class" insurance (the descriptive term being used by the Mutual Benefit).

The main features of the Mutual Benefit plan are: Special Class business will be issued on the regular Mutual Benefit policy form (with same case and paid-up values and refund of unearned premiums at death) subject to an automatic premium loan provision in event of lapse with extended term applying only when insufficient funds are left to carry a quarterly premium. Age limits at issue are 15 to 60, in general, and the limits of amounts of insurance vary with age and class. Women will be accepted. Practically all regular life and endowment forms with 10 premiums or more will be available. However, Ordinary Life Increasing Premium Plan will be available in but two classes. Waiver of premium disability features will be issued under certain conditions with no rate increase except proportionate amount necessary to waiver larger policy premium. Non-medical, as a general rule, will be issued only in first special class or with lowest extra occupational premium rating.

Clark Retires

The retirement of Dr. Charles P. Clark, medical director of the company for 31 years and an outstanding figure in the medical branch of the insurance field, was announced in August by W. Paul Stillman, chairman of the Board. Dr. Clark has always had a tremendous interest in research and has made important contributions to the technique of medical selection of risks. On the basis of data supplied by ten thousand test applications he determined the relationship between build measurements and weight and developed a table which enables the underwriter to detect inaccuracies as to weight. This has proven most valuable in classifying risks and is now used extensively by the medical departments of many insurance companies.

Through his efforts a quantitative test for albumin was made available and is now in general use. He also worked with Dr. Folin and Dr. Benedict when the latter two men gave the medical profession a quick quantitative test for sugar. In collaboration with Dr. Harry Ungerleider he developed a table for the measurement of the heart sizes from chest x-rays. This Clark-Ungerleider table is now in use throughout the country in medical schools, hospitals and insurance companies.

MUTUAL LIFE

Aviation Restrictions Removed

Effective on Sept. 2, The Mutual Life Insurance Company of New York has removed aviation restrictions from the face amount of all policies now in force which were issued by the company during the war period, according to an announcement by Alexander E. Patterson, president.

The move, affecting Mutual Life policies written between Dec. 21, 1941, and August 29, 1945, completes the step taken by the company immediately after V-J Day in making inoperative the war clauses in these policies, and is in line with the company's general procedure in handling such cases since V-J Day.

Complete elimination of these aviation restrictions had been deferred until such time as the company's experience with aviation risks indicated that the move would be sound and in the interest of all policyholders, Mr. Patterson explained.

OCCIDENTAL

Favorably Examined

The Occidental Life Insurance Company of California, Los Angeles, California, was examined (Association) by the Insurance Departments of California,

Michigan, Missouri, New Mexico, Ohio and Washington as of December 31, 1946, covering the operations of the company since December 31, 1943, the date of the previous examination. As a result of the examination, income and disbursements were increased $377,612 primarily due to the method used by the company of reporting expense rating refunds and coupons applied to purchase paid-up additions as deductions from premium income, which was explained in our previous report on this company, which was in the September 1, 1944 News. Assets were increased $1,621,959 from $160,603,190 to $162,225,149 primarily on account of a change in valuation of stocks. Surplus was increased $3,189,156 from $9,388,907 to $12,578,063, primarily due to the investment fluctuation reserve, which was eliminated entirely, the previously mentioned stock valuation change and other changes.

NORTHWESTERN NATIONAL

Stagg President

At a meeting of the Board of Directors of the Northwestern National Life Insurance Company, Minneapolis, Minnesota, held on September 18th last, Ronald G. Stagg, Vice President and Actuary, was elected President succeeding O. J. Arnold, president and managing director since 1925, who became Chairman of the Board. Prior to joining the Northwestern National in 1946, Mr. Stagg was associated with the Lincoln National Life Insurance Company for 20 years. At the same meeting both Mr. Stagg and George C. Holmberg, vice-president and treasurer, were elected to the Board of Directors.

OLD AMERICAN INSURANCE

Examined

The Old American Insurance Company, Kansas City, Missouri, was examined by the Missouri Department as of December 31, 1946 covering the operations of the company since December 31, 1943, the date of the previous examination. As a result of the examination the assets were decreased $91 and surplus was increased $9,761 from $152,954 to $162,715.

According to the examiners, additional contributions to surplus have been made totaling $100,000: In 1940, $25,000; in 1941, $40,000; in 1944, $35,000, which brings the total contributed to surplus since organization to $180,000.

PACIFIC MUTUAL

New Term Rates

New non-participating rates for 5 and 10 Year Term policies were adopted by the Pacific Mutual Eife Insurance Company, Los Angeles, Calif. in mid-August.

(Continued on the next page)

We Are Proud

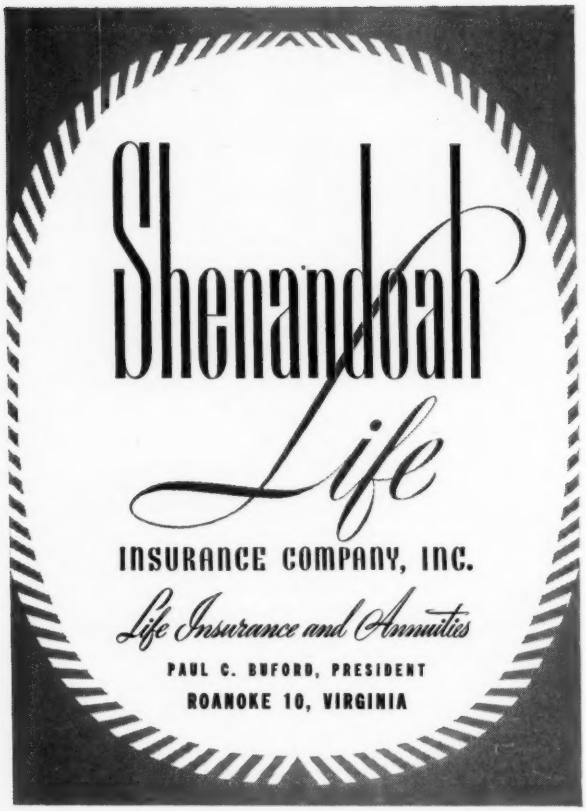
Yes, we are very proud of forty years of outstanding, friendly service to fieldmen and policyholders. Records of black and white tell a story of distinctive achievement throughout the years.

The friendly spirit existing between the home office and fieldman is reflected in the service to policyholders. You, too, will find it pays to be friendly with

PEOPLES LIFE INSURANCE CO.

"The Friendly Company"

FRANKFORT — INDIANA



"PRICES" On Life Insurance Have Not Skyrocketed . . .

There really is no such thing as the "price" of Life Insurance, because part of the premium goes into the reserve and becomes savings, . . . and, anyway, it is almost impossible for anybody to pay more in premiums than they or their beneficiary will some day receive under a policy of Life Insurance, so actually most Life Insurance, in the long run, costs nothing.

The premiums on this basic service have steered clear of the spiralling of prices on other services and goods, despite rising costs and low interest. Be this ever to the credit of the good management in Life Insurance.

The NATIONAL LIFE AND ACCIDENT *Insurance Co., Inc.*
HOME OFFICE, *National Building*, NASHVILLE, TENN.
WSM 50,000 WATTS
THE SHIELD COMPANY

PACIFIC MUTUAL—Continued

Both of these policies are convertible, the first within four years and the second within seven years and the waiver of premium can be attached to either contract for a small extra charge. Specimen non-participating rates for the new contracts are as follows:

$1,000 Policies (N. P.)
Annual Premiums

5 Year Term	*Age*	*10 Year Term*
$6.19	20	$6.31
6.44	25	6.58
6.74	30	7.10
7.53	35	8.29
9.19	40	10.59
12.21	45	14.58
17.35	50	21.01
25.44	55	30.83

PAN-AMERICAN

Favorably Examined

The Pan-American Life Insurance Company, New Orleans, Louisiana was favorably examined (Association) by the Insurance Departments of Illinois, Louisiana, Mississippi, Pennsylvania and Texas as of December 31, 1946, covering the operations of the company since December 31, 1943, the date of the previous examination. Through various increases and decreases the assets were increased $80,833 from $75,820,081 to $75,900,914 and surplus was decreased $87,872 from $4,138,130 to $4,050,258.

POLICYHOLDER'S NATIONAL

Favorably Examined

The Policyholder's National Life Insurance Company, Sioux Falls, South Dakota was favorably examined (Association) by the Insurance Departments of Iowa, Montana and South Dakota as of December 31, 1946 covering the operations of the company from September 30, 1943, the date of the previous examination. The report of the examiners was similar to that appearing in Best's 1947 Life Reports.

REPUBLIC NATIONAL

Buys Republic Life

Through action of its stockholders at a special meeting, the Republic National Life Insurance Company of Dallas, Texas under a consolidation and reinsurance agreement, has taken over the business and assets of the Republic Life Insurance Company of Oklahoma City,

and by the terms of the agreement has assumed all liabilities of the Oklahoma company and guaranteed all of its outstanding Life Insurance policies, in accordance with their terms and provisions.

In announcing the consummation of the contract, Theo. P. Beasley, President of the Republic National Life Insurance Company, stated that the agreement had also been approved by the stockholders of the Oklahoma company, and by George B. Butler, Chairman of the Board of Insurance Commissioners in Texas, and by Donald F. Dickey, Commissioner of Insurance for the State of Oklahoma.

The Republic Life of Oklahoma, as of the date of the consolidation and reinsurance, had $33,500,000 of Life Insurance in force, which, when combined with the business of Republic National Life of Dallas, will bring the total of insurance in force in the Texas company to approximately $110,000,000, making it one of only four Dallas Life Insurance companies to have achieved a total of more than $100,000,000 of insurance in force.

SUN OF CANADA

Agency Changes

A reorganization of the territory comprising the United States Divisions of the Sun Life of Montreal, Canada has just been announced by J. A. McAllister, Director of Agencies. Effective immediately nine of the Company's Branches included in the former Central United States Division will be transferred to the Eastern U. S. Division where they will come under the jurisdiction of S. C. H. Taylor, Superintendent of Agencies. Three other Central U. S. Branches, those bordering on the Mississippi River, will be allocated to the Western United States Division under the Superintendency of A. C. Coughtry. The branches transferred to Mr. Taylor's control are: Atlanta, Cincinnati, Greensboro, Indianapolis, Jacksonville, Louisville, Nashville, Richmond, and Washington. Those placed under the supervision of Mr. Coughtry are: Memphis, New Orleans and St. Louis. The Central U. S. Division, which is abolished by reason of these changes, was in charge of Victor B. Harris, Superintendent, until Mr. Harris' sudden death last December.

SUPREME LIBERTY

Examined

The Supreme Liberty Life Insurance Company of Chicago, Illinois was examined (Association) by the Insurance Departments of Illinois, Maryland and Kentucky as of June 30, 1946 covering the operations of the company from June 30, 1943, the date of the previous examination. Since information of a later date is now available (see Best's 1947 Life Reports) no pertinent information is given here.

The 1945 stock dividend was accomplished by increasing the par value of stock from $2.50 per share to $5.00.

☆ ☆ ☆

Who Offers Women

ENDOWMENT ANNUITY

at Same Rates as for Men...

and with

Same Benefits?

The answer is:

Founded 1850

THE MANHATTAN LIFE INSURANCE COMPANY

of NEW YORK

120 West 57th Street, New York 19, N. Y.

☆ ☆ ☆

TRAVELERS

Hoskins Actuary

James E. Hoskins has been appoined Actuary of the Life Actuarial Department of The Travelers Insurance Company, Hartford, Conn.

William H. Kelton and Milton J. Wood were named Associate Actuaries.

Mr. Hoskins, who has been Associate Actuary since January, 1945, succeeds H. Pierson Hammond whose retirement also went into effect in Sept.

Associated with The Travelers for more than 30 years, Mr. Hoskins came to the Company immediately after being graduated from Harvard University, with membership in Phi Beta Kappa and the distinction of *magna cum laude in mathematics*. In 1920 he became Chief Clerk of the Life Actuarial Department and in 1923 he was made Assistant Actuary.

He is noted throughout the insurance field as an authority on aviation insurance and has served for several years as chairman of the aviation committee of the Actuarial Society of America and of the joint aviation committee of the American Life Convention and the Life Insurance Association of America. He is a member of the Connecticut state employees' retirement commission.

A Fellow of the Actuarial Society of America since 1920, he has served several terms on the society's council. He is also a Fellow of the American Institute of Actuaries.

"Nothing Better in Life Insurance"

"As Faithful as OLD FAITHFUL"

MUTUAL TRUST LIFE
INSURANCE COMPANY
Chicago

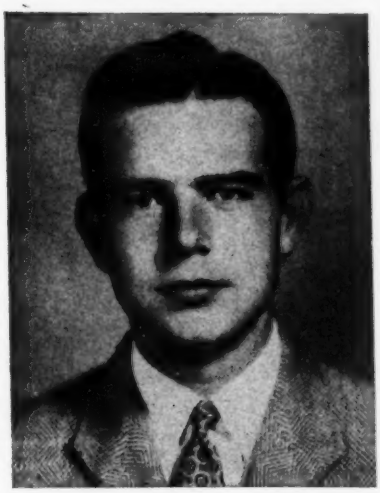
VOLUNTEER STATE

Favorably Examined

The Volunteer State Life Insurance Company, Chattanooga, Tennessee was examined (Association) by the Insurance Departments of Virginia, Georgia, Tennessee and Texas as of December 31, 1946, covering the operations of the company since December 31, 1943, the date of the previous examination. As a result of the examination assets were increased $49,762 from $36,890,160 to $36,939,922 and the contingency reserve was increased $94,762 from $1,410,184 to $1,504,946. These increases are due primarily to an increase in the market value of stock in excess of book value of $47,447 and unpaid dividends to stockholders in the amount of $45,000, which were set up as a liability by the company but inasmuch as they were not actually declared until 1947, this item was thrown back into the contingency reserve. The company maintains a flat amount of surplus of $1,000,000 and the remainder of the surplus funds is called the contingency reserve.

On July 20, 1946 the company purchased the entire capital stock of the Unity Life Insurance Company, New Orleans, Louisiana for $150,000. This stock was decreased for valuation purposes to the value of $1.00 as of December 31, 1946. This company is operating only in Louisiana and entirely on the Industrial plan.

You Don't Need Years of Selling Experience To Be a Franklin Success



W. L. DUGGER, JR.

When young Bill Dugger returned from the South Pacific, pushed the horrors of Iwo Jima out of his mind, and doffed his Marine Lieutenant's uniform he had no selling experience whatever. But he wisely decided to follow the advice of his father, Executive Vice President W. L. Dugger, and became letter-perfect in the sale of our three exclusive Franklin Life contracts.

His first sale was made on August 27, 1946. Today he stands fourth in the entire Franklin organization in paid business for this year, with a total of over $600,000 as of September 1. His average sale is approximately $7,500. And he specializes almost exclusively in the President's Protective Investment Plan, the Guaranteed Life Annuity, and the Lifetime Disability Income Plan. "Why offer what every other salesman has," says young Bill, "when the Franklin exclusives are so much easier to sell?"

Scores of other Franklin representatives, veterans and beginners, feel the same way. That's why they encounter far less sales resistance than the average insurance salesman. And that's why their average cash earnings far exceed those of other life insurance salesmen.

The Friendly

FRANKLIN LIFE INSURANCE COMPANY

CHAS. E. BECKER, PRESIDENT SPRINGFIELD, ILLINOIS

DISTINGUISHED SERVICE SINCE 1884

One of the 15 Oldest Stock Legal Reserve Life Companies in America

Over $500,000,000 of Insurance in Force

BENEFIT PAYMENTS UP

PAYMENTS to American policyholders and beneficiaries by the life insurance companies topped a billion and a half dollars in the first half of this year, the Institute of Life Insurance reports. Payments for June and the half year were:

JUNE	1947	1946
	(000 Omitted)	
Death Benefits	$108,444	$ 98,789
Matured Endowments	34,270	29,860
Disability Payments	7,753	7,438
Annuity Payments	18,868	17,309
Surrender Values	32,593	24,538
Policy Dividends	49,237	44,063
Total	$251,165	$221,997

FIRST SIX MONTHS	1947	1946
	(000 Omitted)	
Death Benefits	$677,204	$659,102
Matured Endowments	221,749	208,437
Disability Payments	47,076	45,941
Annuity Payments	113,370	103,389
Surrender Values	184,091	159,277
Policy Dividends	275,923	255,848
Total	$1,519,413	$1,431,994

Annuity Payments Up

Annuity payments to American families by United States and Canadian life insurance companies during the first eight months of this year are estimated at approximately $150,000,000, an increase of nearly 10% over a year ago and nearly 40% more than five years ago, the Institute of Life Insurance reported today. This is at an annual rate of $225,000,000.

Total annuity contracts now in force with all U. S. life insurance companies, including contracts under which payments will begin at some future date, exceed 3,000,000. This is an increase of 45% in the past five years.

At the start of the year, the U. S. life insurance companies had over $6,500,000,000 which had been set aside by owners of annuity contracts for eventual payments. This compared with $5,500,000,000 one year prior to that.

Nearly 3 Million in Force

On January 1, there were 2,966,000 annuity contracts in force with all U. S. companies, representing annual income of $932,400,000. This compares with 2,000,000 annuity contracts and $670,700,000 of annual income five years prior to that.

Of the annuities in force the first of the year, 588,000 were fully paid and income was then payable, the annual income provided by them being $216,100,000. An additional 1,788,000 were fully paid, but the income, aggregating $352,700,000 annually, was scheduled to begin at some future date. Another 590,000 were not yet fully paid for and provided for future income plans, these representing annual income of $363,600,000.

Group Plans Rise Sharply

Group annuities, purchased by employer-employee groups, accounted for the greatest number of annuities owned, the 1,696,000 individual certificates of this type being 57% of the aggregate. As they are usually smaller units than individual annuities, they did not represent as large a portion of the annual income set up under annuities, the group annuities being $317,400,000 annually. Group annuities have shown the greatest rate of growth of all annuities in the past five years. The 1941 total in force was 966,000 units for annual income of $159,000,000.

Individual annuities in force at the start of the year numbered 1,123,000, providing annual income of $549,500,000. This compares with 951,000 in force in 1941, providing annual income of $477,000,000.

The balance of the annuities in force, 147,000, were those set up under supplementary contracts from life insurance policies and these provide annual income of $65,500,000. In 1941, there were 83,000 supplementary contract annuities in force, representing annual income of $35,000,000.

Real Estate Investments Active

Real estate has become an important investment area for the life insurance companies of the country with acquisitions of $94,000,000 reported for the first half of the year, bringing total holdings of real estate to $760,000,000, the Institute of Life Insurance says.

Non-housing real estate held as an investment under the state laws adopted recently accounted for $58,000,000 of the six month acquisitions, bringing holdings of such properties to $128,000,000.

Rental housing projects added during the first half of the year totaled $22,000,000, with mid-year holdings of this type at $157,000,000.

The real estate activities for the first 6 months of 1947 of the life insurance companies are summed up by the Institute as follows:

	Acquired in 6 Mos.	Sales in 6 Mos.	Holdings June 30
	(000,000 Omitted)		
Investment Non-housing Real Estate	$58	$ 0	$128
Investment Housing	22	0	157
Home Offices	8	1	261
Farm Properties	0	27	92
Other Real Estate	6	17	122
Total	$94	$45	$760

POSITION AVAILABLE

Unusual opportunity for young man as ASSISTANT STATISTICIAN in one of America's most progressive life insurance companies. Must be capable of supervising and possess a knowledge of punched card accounting. Give all qualifications in your reply.

ADDRESS A. C. VANSELOW, PERSONNEL DIRECTOR

THE FRANKLIN LIFE INSURANCE COMPANY

SPRINGFIELD, ILLINOIS

Teacher—"Willie, you give us Lincoln's Gettysburg Address."

Willie—"You can't fool me. He didn't live there."

BIRTHS

FLYING at super-sonic speeds, the stork is now delivering babies to the United States at the record rate of seven every minute, over 10,000 each 24 hours. At the current birth rate, more than three and three-quarter million American babies will be born in 1947, exceeding the previous record total of 1946 by over half a million, and almost equalling the entire population of the United States at the time of the census of 1790.

If these babies had been born a century ago, in 1847, a study by Northwestern National Life Insurance Company points out, one out of six, or over 600,000, would die before reaching their first birthday. Today only one out of each 21 of the babies born this year, or less than 200,000 out of three and three-quarter millions, will fail to reach their first birthday.

Had these children been born in 1847, the study goes on, nearly one-third, or over 1,100,000, would never see their tenth birthday. But of those born in 1947 only one out of 16—fewer than 240,000—will die before the age of ten.

Average life expectancy of babies born in 1847 was approximately 39 years, which meant survival only until 1886—not long enough to see the turn of the new century. But the babies being born this year have a present average life expectancy of 67 years, enough to let them see the year 2014 A.D.

Conventions Ahead

Actuarial Society of America and American Institute of Actuaries, October 1–3, Chateau Frontenac Hotel, Quebec City, Can.

Institute of Home Office Underwriters, October 2–4, Edgewater Beach Hotel, Chicago, Ill.

American Life Convention, October 6–10, Edgewater Beach Hotel, Chicago, Ill.

Life Advertisers' Association, October 23–25, Chateau Frontenac, Quebec City, Quebec, Canada.

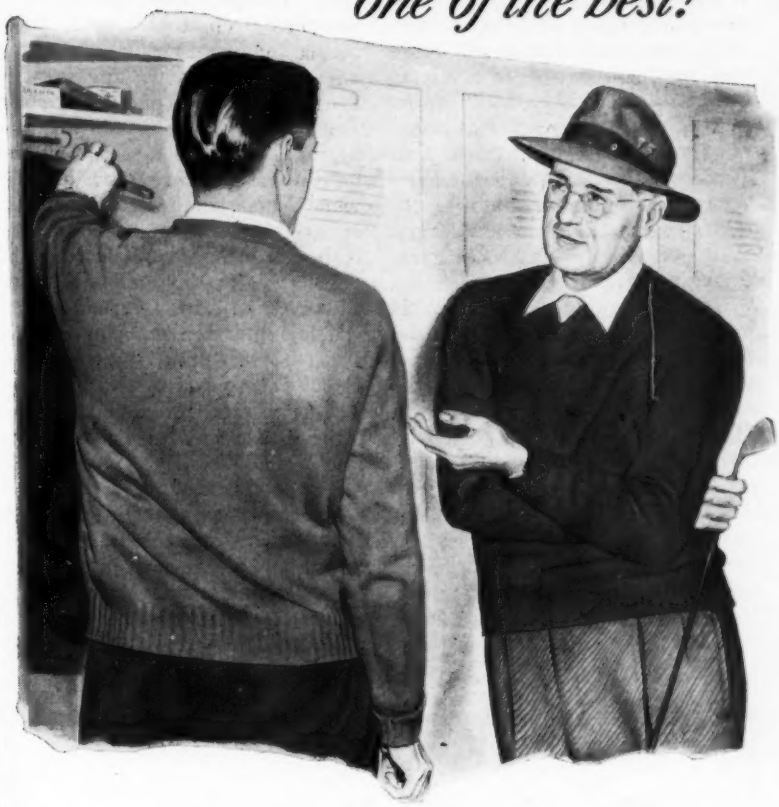
Agency Management Association, November 12–14, Edgewater Beach Hotel, Chicago, Ill.

National Association of Insurance Commissioners, December 7–10, Flamingo Hotel, Miami Beach, Fla.

Life Insurance Association of America, December 11, 12, Waldorf-Astoria, New York, N. Y.

Institute of Life Insurance, December 19, Waldorf-Astoria, New York, N. Y.

"PACIFIC MUTUAL? *It's one of the best!*"



"There's a company with alert, progressive management personnel. I've been watching the fine job they're doing in equipping the field with complete, flexible coverages against contingencies that deplete a man's income. They're certainly providing the right merchandise for underwriters—and they keep it up to date. They're alert to changing public needs, and right 'up front' when it comes to liberalizing underwriting to meet new conditions.

"They're doing a grand job, too, in training field men—and *keeping* them trained, through advanced courses and seminars. As a result, Pacific Mutual underwriters give constructive service to policyholders, and at the same time earn substantial incomes—'way above average.

"This alert, field-minded type of management is reflected in 1946 figures that show big increases in every department of Pacific Mutual service—new business, insurance in force, premium income, and, most important, number of substantially successful field men.

"That's why, when you ask *me* about Pacific Mutual, I say *it's one of the best!*"

Coverage that's Complete
LIFE INSURANCE
ACCIDENT & HEALTH
GROUP & EMPLOYEE
ANNUITIES · JUVENILE
The *New and Unusual Savings Plan*

PACIFIC MUTUAL
LIFE INSURANCE COMPANY
HOME OFFICE: LOS ANGELES, CALIFORNIA

MORTALITY

HEART disease was the leading cause of death among life insurance policyholders in 1946, accounting for one-third of all deaths in the year, the Institute of Life Insurance reports. More than 400,000 life insurance policies were paid as claims for heart disease deaths last year. This was more than twice the number paid as claims for deaths resulting from cancer, the second largest cause of death during the year among policyholders.

Notwithstanding an increase in the death toll of these two diseases, the 1946 death rate among ordinary policyholders showed a decline to 689.3 per 100,000, compared with 714.5 in 1941. The death rate among owners of industrial life insurance policies, the weekly payment, small unit type usually issued without medical examination, was much higher than among ordinary life policyholders. The 1946 rate for industrial policyholders was 768.5 per 100,000, a decline from 787.5 in 1941.

The lower death rates in 1946 came primarily from reductions in mortality from tuberculosis, pneumonia, influenza, nephritis, diabetes, children's contagious diseases and diseases of the puerperal state. Among ordinary policyholders, heart disease and cancer were the only diseases showing an increase, while among industrial policyholders cerebral hemorrhage took a higher toll than in 1941 and the death rate for diphtheria increased slightly from 0.5 to 0.7 per 100,000.

The death rate from motor vehicle accidents was down rather sharply for both groups of policyholders. The death rate from homicides was higher for both, whereas the suicide rate declined.

An appreciable number of war death claims were reported during 1946, chiefly cases cleared through investigation by the armed forces of persons missing in action during the war and those of deaths among men wounded in service.

Death Rates Per 100,000
Ordinary Life Insurance

	1941*	1946
Organic Diseases of the Heart	208.3	237.2
Cancer	100.8	101.6
Cerebral Hemorrhage	58.3	54.9
Nephritis	36.6	25.9
Pneumonia (all forms)	24.5	19.2
Tuberculosis (all forms)	23.7	17.5
Influenza	5.5	2.2
Other Respiratory Diseases	8.7	7.3
Diabetes	15.0	9.9
Puerperal State	3.0	1.8
Typhoid Fever	.4	.2
Suicides	18.7	15.0
Homicides	1.5	1.6
Motor Vehicle Accidents	24.2	19.0
All Other Causes	185.3	176.0
Total All Causes	714.5	689.3

Death Rates Per 100,000
Industrial Life Insurance

	1941*	1946
Organic Diseases of the Heart	167.7	228.3
Cancer	104.7	106.6
Cerebral Hemorrhage	63.2	71.1
Tuberculosis (all forms)	43.1	40.8
Pneumonia (all forms)	36.5	33.9
Influenza	8.1	3.8
Other Respiratory Diseases	9.4	8.5
Nephritis	49.3	37.8
Diabetes	26.2	23.1
Puerperal State	4.7	3.1
Diarrhea and Enteritis	5.5	3.2
Meningitis (all forms)	2.9	2.4
Measles	.8	.5
Scarlet Fever	.4	.1
Whooping Cough	1.3	.5
Diphtheria	.5	.7
Typhoid Fever	.5	.2
Suicides	9.1	6.8
Homicides	3.7	5.9
Motor Vehicle Accidents	22.3	15.8
All Other Causes	227.6	175.4
Total All Causes	787.5	768.5

* Compiled by Life Insurance Association of America.

Nearly Half Century
of
SERVICE

The institutions of Life and Accident and Health insurance are primarily ones of sales and service. We are building on that ideal with "Service" as our watchword.

Our Life and Accident and Health policies are salable and provide maximum coverage and protection to policyowners. Attractive agency commission contracts enable field representatives to build for the future.

We place a high value on human relationships as well as service.

WISCONSIN NATIONAL LIFE INSURANCE COMPANY

Oshkosh, Wisconsin

Diplomat: "A person who can tell you to go to the devil so pleasantly that you're raring to get started."

Raconteur: "A person who has a good memory and hopes other people haven't."

Playboy: "A good-time Charlie who dishes out the sweet stuff to his little sugar and ends up paying a lump sum."

Waves: "Sailors who serve in slips."

Adolescents: "Kids that are alike in many disrespects."

Summer Hotel: "A resort where there is always room for one bore."

MEDICAL DIRECTORS

CONVINCED that "we should seriously consider ways and means of qualifying our present and future medical directors by a board of insurance medicine for which the medical directors of this country would be responsible," Dr. J. Raymond B. Hutchinson, in delivering his address as Chairman of the Medical Section, American Life Convention, at the annual meeting of that body held in May advocated the establishment of a joint committee of the Medical Section and the Association of Life Insurance Medical Directors to prepare a plan of operation. Dr. Hutchinson is Medical Director, Acacia Mutual Life Insurance Company, Washington, D. C.

He recommended that the plan prepared by the committee "then be brought before both individual organizations, that is, the Medical Section and the Medical Directors Association, for adoption, and then be submitted to the life insurance companies of this country for their endorsement and approval.

"If such a plan be adopted, it would seem proper that the present medical directors would be automatically accepted on the basis of their experience and standing with their respective companies as board certified. This suggested plan would relate to the qualifying of our future medical directors only. I think we owe it to our companies, and to ourselves personally, as doctors, to maintain the high standards in our specialty and this would seem to be the most direct way of establishing and maintaining that standard."

Based on Experience

Dr. Hutchinson said that his conviction as to the need of such a board was the result of his experience in World War II. "It so happened," he said, "that I recruited quite a number of medical directors for special work for the Navy in the Bureau of Medicine and Surgery. To obtain this appointment in the service, letters of various types regarding our specialty qualifications were required as well as the requirement to meet proper medical standards. The purpose of this certification regarding specialty qualifications was (theoretically speaking at least) to place us where we could serve most advantageously. Unfortunately, due to lack of certification as medical insurance specialist by an established board, proper recognition of our training and capabilities could not be granted."

In further justification of the proposal, Dr. Hutchinson cited the need to maintain the quality of life insurance medical staffs in the face of an anticipated continuous shortage of qualified graduates from acceptable medical schools. He pointed out, also, that companies are emphasizing quality business and "that anything which improves the quality of the home office medical staff improves the quality of its accepted business."

LANDMARKS of Distinction

Lighthouses at Cape Henry, Virginia — the old lighthouse being the first established by the United States Government on the Atlantic Seaboard.

ATLANTIC LIFE INSURANCE COMPANY

Richmond, Virginia

Organized 1899

Directing the Way Toward Financial Security Since the Turn of the Century.

ARE YOU INTERESTED

Opportunity is not "just around the corner," it is here!

If you have managerial ability and a desire to develop a life and accident and health agency in Middle-Western territory, communicate at once with

FEDERAL LIFE INSURANCE CO.
CHICAGO, ILLINOIS
ISAAC MILLER HAMILTON, *Chairman* — L. D. CAVENAUGH, *President*

Strong-Progressive

RECRUITING

THE number of new Ordinary life insurance agents put under contract in the second quarter of 1947 has dropped 7% below the level of the first quarter, the Agency Management Association reported in its quarterly recruiting survey published last month.

However, the number of new men recruited in the first six months of 1947 was above the total for the last half of 1946.

The survey, based on the experience of 37 Ordinary life insurance companies, places current year recruiting at 37% under the peak reached during the first six months of 1946. A new low for the current year was established in June, probably reflecting a seasonal decline.

Some of the results evident from the survey are: (1) Production per man month by new agents has fallen off about 13%; (2) Terminations among agents with previous life insurance experience has increased; however, terminations among agents without experience has decreased.

A separate survey of Canadian recruiting, based on the experience of 14 Ordinary life companies, points to similar findings. Seven per cent fewer full-time agents were recruited in Canada during the second quarter of 1947 than in the first, and the total for the first half of 1947 is higher in comparison to the last six months of 1946. Also, a 13% decrease in production there has been accompanied by an increase of terminations.

United States Recruiting Survey

First Six Months Results—37 Companies

	1947		1946	
	No.	*Annual Rate of Production*	*No.*	*Annual Rate of Production*
All Full-time Recruits	2,546	$96,000	4,029	$110,280
Female Recruits	105	61,560	127	60,240
Male Recruits	2,441	97,560	3,902	111,960
Without Previous L. I. Selling Exp.	1,900	90,120	3,100	103,440
With Prev. L. I. Selling Exp.	541	123,240	802	144,000

Canadian Recruiting Survey

First Six Months Results—14 Companies

	1947		1946	
	No.	*Annual Rate of Production*	*No.*	*Annual Rate of Production*
All Full-time Recruits	644	$81,720	856	$94,200
Female Recruits	16	94,440	29	51,720
Male Recruits	628	81,360	827	95,640
Without Previous Exp.	524	77,760	724	90,720
With Prev. Exp.	104	96,600	103	128,280

GUERTIN LEGISLATION

IN VIEW of the importance of companies adopting the new CSO Mortality Table for both Ordinary and Industrial policies as well as adopting a new and lower interest assumption basis in practically every case, we will endeavor to keep our readers current on these changes.

The following companies have adopted and are using the new table and the figures after the company's name indicates the interest assumption now being used:

Aetna Life, Hartford, Conn.—Par. 2½%; Non-Par, 2½%

Connecticut Mutual, Hartford, Conn. 2½%

Equitable of Iowa, Des Moines, Iowa 2½%

Farmers Life, Des Moines, Iowa 2½%

George Washington, Charleston, W. Va. 2½%

Guarantee Mutual, Omaha, Nebr. 2½%

John Hancock Mutual, Boston, Mass. 2½%

Mutual Benefit, Newark, N. J. 2¼%

National Guardian, Madison, Wisc. 2½%

Northwestern Mutual, Milwaukee, Wisc., 2%

Standard, Portland, Ore. 2¼%

Union Central, Cincinnati, Ohio 2¼%

Industrial usage: Commonwealth Life, Louisville, Ky., 3%; Independence Mutual, Charlotte, N. C., 3%.

The following companies are adopting the new table, etc.:

Federal Life Chicago, Ill. (2½%) January 1st.

Massachusetts Mutual, Springfield, Mass. 2½%, October 16.

Ohio National, Cincinnati, 2½% to Jan. 1.

Prudential, Newark, N. J., 2½%.

WEST VIRGINIA

DAVID S. BUTLER, who formerly was State Agent for the National Fire Insurance Company, has been appointed Insurance Commissioner of West Virginia. This is a new office created this year by the separation of the former offices of State Auditor and Insurance Commissioner which were held by one individual.

HOME OFFICE AND FIELD APPOINTMENTS

Aetna Life: *Henry A. Maddox,* with the company since 1933, has been appointed Manager for the company in Atlanta, Ga. to succeed *Sam M. Carson* and *Paul H. Dobbins,* with the company 23 and 15 years respectively, who have retired after having been in the insurance business since 1899.

Tyler Bates, in the business since 1937, has been appointed General Agent for the company at Birmingham, Ala. to succeed *John W. Holmes,* resigned.

F. E. Roy, with the company since 1934, has been appointed General Agent at Fargo, North Dakota to succeed the late Dell M. Wade.

★ ★ ★

Coates & Herefurth: *G. Frank Waites,* a Fellow of both the Actuarial Society of America and the American Institute of Actuaries, has joined the organization of Coates & Herfurth, Consulting Actuaries, of San Francisco and Los Angeles. A large portion of Mr. Waites' previous experience has been in the formulation and administration of pension plans.

★ ★ ★

Eastern Life: *Max H. Rhulen,* in the business since 1934 and *H. Lewis Kolodny* (1939), have been named general agents for the company in Monticello, N. Y.

★ ★ ★

Equitable Society: *Wendell A. Milliman,* F.A.S., and F.A.I.A., with the company since 1929, has resigned as second vice president and associate Actuary of the company to open a consulting Actuarial office in Seattle, and act as consultant on employee benefit plans and in the health insurance field.

Vance L. Bushnell, who joined the company in 1919 and continued for 5 years and then rejoined the company in 1938, has retired as 2nd Vice President in the Agency Department due to ill health.

★ ★ ★

Equitable Life of Iowa: New business for August, 1947 was the largest for that month in the company's eighty years. The paid business totaled $8,708,797 bringing the total new business written during the year to $75,162,527 and the insurance in force as of that date to $883,723,658.

★ ★ ★

Franklin Life: *B. B. Fleming,* formerly associated with the Midland Mutual Life has been appointed general agent for the company in Springfield, Ohio.

Milton F. Simmons, in the business 18 years, has been appointed General Agent for the company in Dallas, Texas.

★ ★ ★

Great-West Life: *George Aitken,* who joined the company in 1934 as Chief Accountant, has been appointed Secretary.

R. O. A. Hunter, B.A., LL.B. with the company since last year, has been appointed Assistant Secretary.

★ ★ ★

Home Friendly: *Daniel B. Chambers,* General Counsel and Assistant Secretary, died on August 22 last.

★ ★ ★

Home Life: *Harold A. Loewenheim,* with the company since 1944, has been appointed Manager of the company's uptown New York Agency to succeed Solomon Huber, who has returned to Mutual Benefit Life.

★ ★ ★

Industrial Insurers Conference: The Pennsylvania Mutual Life, Philadelphia, Pa. has been elected to membership, bringing the total number of companies so affiliated to 67.

★ ★ ★

Institute H.O. Life Underwriters: Following companies have been admitted to membership: Central Life, Ill.; Life Insurance Co., of Virginia; Union Life. Membership of the Institute now stands at 170.

★ ★ ★

Jefferson Standard: *William T. Smith,* with the company since 1942, has been appointed Manager of the company's Wilmington, Delaware office succeeding *Douglas M. Springmann,* who was transferred to his home state of Virginia as District Manager at Petersburg.

R. B. Alexander, with the company since 1925 and *Robert C. Anderson* (1938) and *G. Larry Swaim* (1940) have been appointed Assistant Chief Underwriter and Underwriters, respectively.

★ ★ ★

Lincoln National: *Gerald Oppenheim, C.L.U.,* in the business 28 years, has been appointed General Agent for the company in Beverly Hills, California. This is a new Agency with offices located at 9008 Wilshire Boulevard.

Manhattan Life: *James W. Uren* and *Crayton G. Boyer,* in the business 5 and 7 years respectively, have been appointed Managers for the company in Oakland and Fresno, California.

★ ★ ★

Massachusetts Mutual: *Douglass N. Ellis,* in the business since 1933, has been appointed General Agent for the company at Syracuse, N. Y.

★ ★ ★

Metropolitan Life: *Frederick H. Ecker,* Chairman of the Board, observed his 80th birthday on August 30 last. Mr. Ecker joined the company as an office boy in 1883 at a salary of $4.00 per week. For the last 10 years he has served without remuneration but during the intervening 54 years, while climbing the ladder in the largest financial institution in the world, he did considerably better financially.

Barney A. Bain, with the company since 1930, has been appointed Manager of the company's District Office at Aurora, Illinois to succeed *Harry E. Lundin,* who has been transferred as Manager to one of the company's district offices in Chicago, Illinois.

Phares A. Hughes, with the company since 1932, has been appointed Manager of the company's Little Rock, Arkansas office to succeed *Norman E. Lisk,* with the company since 1923, who has been transferred as Manager of the Middlesboro, Kentucky district where he will succeed *Jerry K. Steele,* who has been been transferred as Manager of the Shreveport, Louisiana district.

Jerry K. Steele, Manager for the company in Middlesboro, Kentucky, has been transferred as Manager in Shreveport, Louisiana, to succeed *Edward A. Labry,* with the company since 1922, who has been transferred as Manager at Pine Bluff, Arkansas, where he succeeds *Robert W. Wilder,* who has been transferred to the Mobile, Alabama district.

★ ★ ★

Midland Mutual: *Dr. Paul H. Charlton,* who received his M.D. degree in 1921, has been named Medical Director of the company succeeding the late Dr. A. R. Stone.

★ ★ ★

Minnesota Mutual: *Rudolph F. E. Wiedemann,* in the business since 1922, has been named General Agent for the company in Dallas, Texas.

(Continued on the next page)

Field Appointments—Continued

Mutual Benefit Life: *Solomon Huber,* C.L.U., with the company from 1927 to 1943, and most recently Manager for the Home Life in New York, has been appointed head of a new agency for the company in uptown New York, where he will work exclusively in the field of estate analysis, business insurance and tax planning.

Pratt C. Remmel, in the business since 1937, has been named General Agent for the company in Little Rock, Arkansas, the first such appointment made by Mutual Benefit since it entered the state.

★ ★ ★

Northwestern Mutual: *Raymond J. Dolzeick,* in the business since 1933 and with the company as assistant director of agencies since 1944, has been appointed general agent in Cleveland, Ohio, succeeding the late Russell P. Thierbach.

Clarence A. Westring, with the company since 1934, has been appointed Superintendent of Mortgage Loans and Assistant Secretary, succeeding *Frederick P. Price,* retiring after 44 years of service. At the same time *Harvey B. Underhill* (1901) was appointed Assistant Actuary.

Lester J. Doman, Elmer E. Neick, William F. Morgan and *Peter B. Langmuir* have been appointed Assistant Directors of Bond Research for the company.

★ ★ ★

Occidental Life (N. C.): *Clarence F. Rogers,* General Agent in Pueblo, Colorado, was honored in August at a dinner commemorating his one thousandth consecutive week of production. In actuality Mr. Rogers has produced an application a week for more than 22 years since he began producing on that basis when he entered the business at a time when the "App-A-Week Club" had not been started by the company.

★ ★ ★

Pacific Mutual: *Harry Samm,* who has been with the company more than 20 years, serving primarily in the accident and health claims department, has been named Manager of the Claims Department.

★ ★ ★

Pan-American Life: *Harold V. Lyons,* with the Canada Life since 1944, has been appointed Assistant Actuary.

★ ★ ★

Prudential: *Jacob D. Geiger* with the company since 1934 has been appointed manager of the newly opened office in the Moronet Building in Bakersfield, California.

L. Cottrell Tally, with the company since 1930, has been appointed Manager of the agency in Columbia, S. C. to succeed *J. Walker Coleman,* who has been transferred to Charleston, S. C.

Kenneth C. Foster, with the company since 1938, has been appointed Director of Research in the Ordinary Agencies Department.

Loyd S. Wise has been appointed Manager of Group Sales in the company's Hartford office.

Alfred R. Elton, formerly Assistant Manager in Lachine (Quebec) office, has been named Manager of the District Office in St. John, succeeding *Mark C. Turner,* who was transferred in a similar capacity to District #2 in Toronto.

★ ★ ★

Shenandoah Life: *E. Norred Trinkle,* with the company since 1937, and *Charles C. Camp* (1946), have been promoted t home office supervisor and agency secretary, respectively.

E. L. Hines, in the business more tha 30 years, has been named Branch Manage of the company's Nashville, Tennesse office located at 316 Vendome Building

W. R. Ogle, in the business twenty-eight years, has been named branch manager for the State of Alabama with office located at 826-28 Comer Building, Birmingham.

★ ★ ★

State Mutual: *John F. C. Moore,* with a background including advertising, sale promotion and public relations work (outside the insurance business), has bee appointed to the Agency Department a Assistant in Sales Promotion.

★ ★ ★

Sun Life (Canada): *Harry O. Leach* for the past 18 years General Manage for the company in the British Isles, ha retired and *Malcolm Macaulay,* with th company since 1924, has been named suc cessor.

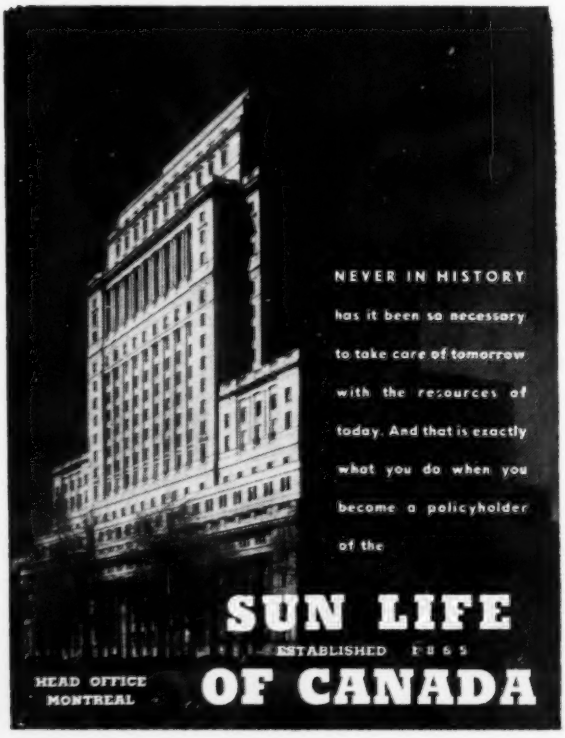
New business for the first eight month of 1947 showed a 17% gain over th same period in 1946.

★ ★ ★

The Travelers: *J. I. Thomason* has bee named manager for the company in Sa Francisco, succeeding Arthur S. Holman retired. In turn *Herbert J. Prouty* ha been named to succeed Mr. Thomason a Peoria, Illinois.

★ ★ ★

Washington National: *Bruce C. Bean,* in the business several years, has been appointed general agent for the company in Seattle, Washington.



Any Way You Look At It

SERVICE
SERVICE

To Our Policy Holders Is Our Aim

LIBERTY NATIONAL
Life Insurance Company
ORGANIZED 1900
BIRMINGHAM, ALA.

Building Men FOR Successful Selling

When a man starts in the life insurance business, he needs simple ideas and plans which will enable him to make sales frequently. By the end of his first year, he wants to expand his thinking and increase his skill. Perhaps he has been confining himself largely to a single life insurance plan. Now he wants to study many of the other services of life insurance and to broaden his prospecting—his sales base. In small doses of week-by-week study, the Oslico Intermediate Course gives him the information he needs, introduces new methods and skills. This gives him confidence to approach his prospects on any one of a large number of life insurance plans, and thus to increase both volume and number of sales.

The experience of our men with our Intermediate Course, is one of consistently and substantially increased production. They also find that it lays a solid foundation for programming and other forms of advanced underwriting.

6 STEPS OF TRAINING

- ★ BASIC
- ★ PRIMARY
- ★ INTERMEDIATE
- ★ PROGRAMMING
- ★ TAX AND BUSINESS
- ★ C. L. U.

HERE'S WHAT OUR MEN SAY ABOUT OSLICO TRAINING

"The Intermediate Field Training Course provided the prod which kept me working as well as giving me new ideas in every branch of life underwriting." Another: "Regardless of experience, I strongly believe that this course gives an underwriter, through exchange of ideas and weekly study of life insurance needs, the knowledge and background to make his life work a successful career to both his clients and himself."

THE OHIO STATE LIFE *Insurance Company* COLUMBUS, OHIO

CLARIS ADAMS, PRESIDENT • FRANK L. BARNES, VICE PRESIDENT AND DIRECTOR OF AGENCIES

MANAGER'S MAGAZINE AWARDS

Los Angeles Wins

THE Los Angeles Association of Life Underwriters, perennial winner of Manager's Magazine trophies, again came off with the "Best of Show" award at the annual NALU meeting of General Agents and Managers Section in Boston, September 11. It was the trophy awarded annually by the Magazine, a publication of the Agency Management Association of Hartford, and the National Association of Life Underwriters to the Association that shows the best record of accomplishment. To keep the trophy an Association must win three times.

Awards for outstanding excellence of activities went to Life Underwriter Associations in Chicago, Seattle, Utah and Evansville. Trophies were presented by Osborne Bethea, general agent, Penn Mutual, New York, chairman of the General Agents and Managers Section.

Contestants for the trophies were divided into four groups by size of city. Group I, the largest cities, was won by Chicago, a frequent winner, and Group II by Seattle, last year's Best of Show Winner. Utah, a newcomer among the winners, leads Group III and Evansville took permanent possession of the trophy in Group IV.

Basis of Award

Winners are chosen on the basis of the association's activities in promoting the aims of the local organizations, education programs for managers and agents sponsored during the year, promotion and observance of ethical practices, membership status, and increase in the prestige of life insurance in the community.

Contest judges were: Maxwell L. Hoffman, director of field service, National Association of Life Underwriters; C. Preston Dawson, C.L.U., New England Mutual General Agent in New York, and H. Fred Monley, Editor of Manager's Magazine.

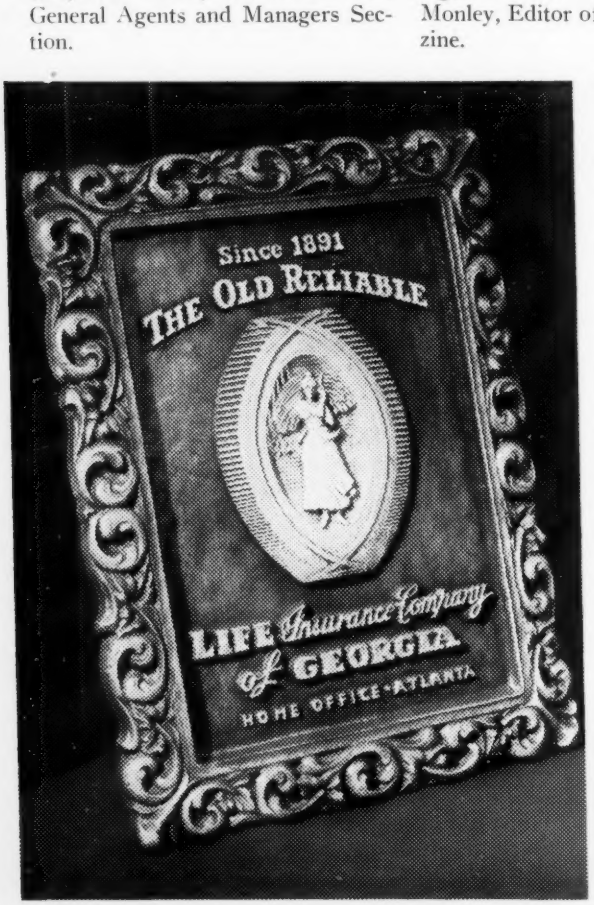
"REVIEW"

New Publication

THE activities of the Life Insurance Agency Management Association are highlighted in a new publication that appeared in August for the first time, called "Agency Management Review."

A four page printed news organ, the "Review" is designed primarily to keep the Association's 183 member life companies informed about what's going on at headquarters. It will appear quarterly. Donald E. Lynch, press relations supervisor, is editor and Jane E. Goodchild, press relations assistant, managing editor.

The first edition carries a by-line story of Benjamin N. Woodson, executive vice president, Commonwealth, and a member of the Association's Board of Directors. Mr. Woodson gives a first-hand account of his recent experience in the War Department studying Army recruiting as a Special Assistant to the Secretary of War. He tells how he applied life insurance sales techniques to the government job.



Is it *your ambition*

to become a General Agent?

Then you'll want to know about our plan for the development of a **successful General Agent.**

A well-rounded, effective training course, it is conducted by men experienced both in organization and selling . . . helping the General Agent develop "career" underwriters and build a profitable Agency.

Write for details

Life Insurance in force — $107,076,646

Agencies available in Illinois, Indiana, Iowa, Michigan, Minnesota, Ohio, Wisconsin.

The Old Line Life Insurance Company of America
HOME OFFICE: MILWAUKEE, WIS.

LIFE • ACCIDENT • HEALTH • HOSPITAL

CONSUMER TAXES

AMERICAN consumers must expect to pay over 38 billion dollars in taxes for the fiscal year of 1947, either directly or indirectly, amounting to 22 cents per dollar of income; they will pay slightly over 21½ billions directly, in personal income taxes, sales taxes, etc.; they will pay another 16½ billions indirectly, in the prices of the things they buy, according to a set of estimates just completed by Northwestern National Life Insurance Company economists.

Thus consumers will contribute over three-quarters of the combined total of federal, state and local tax revenues, which will add up to a probable 48½ billion dollars and which will absorb 28 per cent of total national income, estimated at 174 billion dollars for the 1947 fiscal year, the study states.

The insurance company statisticians estimate that American consumers will buy some 133 billion dollars' worth of goods and services, calculated at present price levels, during the current fiscal year ending June 30, 1947. Contained in the prices of these goods and services must be 16½ billions in indirect taxes—property taxes, import duties, excise taxes, etc.—which businesses must pay as part of their necessary costs. Thus about 12½ cents out of the average retail dollar will be represented by indirect taxes. Corporation income taxes are not, of course, included in these calculations, the study states.

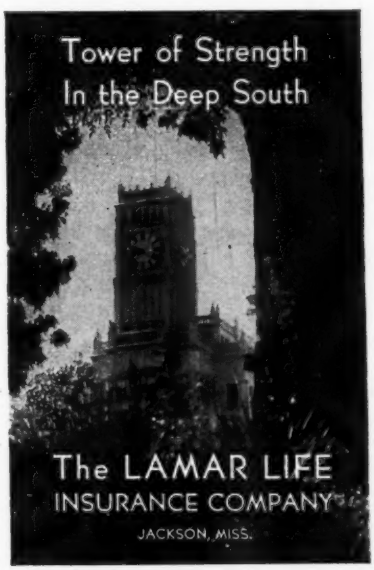
Of the estimated 21½ billions to be paid directly by consumers to federal, state and local tax collectors, 17.1 billions represent personal income taxes, 1,150 millions will be paid in the form of sales taxes, 1,200 millions as realty taxes paid by home owners, 950 millions as employes' contributions to social security taxes, 840 millions as estate, gift and inheritance taxes, and 320 millions as taxes paid by private motorists for licenses, tolls and highway privileges.

By contrast, in the calendar year 1940 total tax collections approximated 15 billions and took 19 per cent of total national income for that year, as compared with 28 per cent of total national income required to pay the nation's present tax bills, the study shows.

The far greater load now carried by personal income taxes is one of the striking changes since prewar years, the study points out.

In 1940 personal income taxes totaled some 1.4 billions—nine per cent of total tax collections—while for 1947, personal income taxes will contribute more than one-third of total tax revenues, or nearly four times their share of the 1940 tax burden.

In 1940 personal income taxes amounted to less than two per cent of total income payments to individuals, while for fiscal 1947 they will approximate ten per cent of total income payments to individuals—five times the 1940 ratio, the study shows.



Provides liberal agency contracts direct with the Company, allowing excellent first year commissions and continuous renewal commissions.

THE
MANUFACTURERS LIFE
INSURANCE COMPANY
HEAD OFFICE • TORONTO, CANADA
Established 1887

★

INSURANCE IN FORCE
(Including Deferred Annuities)
969
MILLION DOLLARS

ASSETS
330
MILLION DOLLARS

WOMEN'S ADVISORY COMMITTEE

FIVE outstanding women of the life insurance business will join the special Advisory Committee of the Women's Division of the Institute of Life Insurance for the coming year, according to Mrs. Marion Stevens Eberly, director of the division. Serving with Miss Marion Bills of Hartford, Conn., who continues her membership from last year, the Committee will advise on editorial and promotion matters.

The new members, all leaders in life insurance, comprise Mrs. Stella Gibbs of Sacramento, Calif.; Miss M. Helen Hankins of Denver, Colo.; Miss Charity Kennedy of Indianapolis, Ind.; Miss Helen A. Pendergast of Baton Rouge, La., and Miss Alice E. Roché of Philadelphia, Pa.

Mrs. Gibbs is agency director of the Women's Division of California-Western States Life Insurance, having developed there her company's preliminary training course for both men and women agents. With Miss Bills, assistant secretary of Aetna Life and with Miss Roche' she will represent Home offices.

Miss Roché, previously field Supervisor and now member of the agency department of Provident Mutual is active in Philadelphia, Pennsylvania and national insurance associations, is a former president of the Philadelphia Chapter of the C.L.U. and originated and executed the first organized direct mail service offered by a life insurance company in the United States. One of her most recent appointments has been as a director of the American Society of C.L.U.

Miss Hankins, a member of the Eddleblute and Miller Agency of Penn Mutual in Denver, is the first woman president of the Colorado State Life Underwriters Association and is past-president of the Denver Association of Life Underwriters, of the Denver Business and Professional Women's Club and of the State Federation of Business and Professional Women's Clubs of Colorado. She entered the insurance field after a number of years in hospital and nursing school administration, is chairman of the finance committee of the Denver Y.W.C.A. and member of the local and national boards of Campfire Girls, Inc.

Miss Kennedy, life member of the Quarter Million Dollar Round Table, is special agent in the Ernest Crane Agency of Northwestern Mutual. She served for five years as member of the women's committee of the N.A.L.U. and was chairman last year of the Women's Group in Indianapolis.

Miss Pendergast has been representative of the Mutual Life of New York since 1942, first in New Orleans and then in Baton Rouge. She has been vice-president of the Business and Professional Women's Club of her city, chairman of the Public Affairs Committee and member of the Inter-Civic Council. She has held several offices in the Baton Rouge Association of Life Underwriters.

The new members on the Committee succeed Mrs. Estelle Nagle of San Francisco, Calif.; Miss Mary Foster Barber of Philadelphia; Miss Margaret Divver of Boston and Miss Helen Rockwell of Cleveland, Ohio.

Lucky You!

IF YOU KNOW ABOUT THIS COMPANY'S

7 "Specials"

ALL REGULAR FORMS

plus

JUVENILE
TERM RIDER TO 65
MONTHLY REDUCING TERM
NO-CLAIM BONUS (ACCIDENT)
SPECIAL A&S DISABILITY PROGRAM
INDIVIDUAL HOSPITALIZATION
FOREIGN COVERAGE

"Ask U.S."

The United States Life
INSURANCE COMPANY
IN THE CITY OF NEW YORK

Money-Making Contracts
★
Sales-Winning Policies
★
Good-Will-Building Management

FOUNDED IN 1877
AMERICAN UNITED LIFE
INSURANCE CO. INDIANAPOLIS

FARM LEAFLETS

SUCCESSFUL Farming," a publication of the Meredith Publishing Company of Des Moines, Iowa, has sent us copies of two leaflets, both of which were written by Don Ross. The first is entitled "One Stormy Night" and the second, "Plant A Few Acres to Life Insurance." Of the two, the first, "One Stormy Night" is the more effective piece of sales literature. Free samples are available upon request from the Merchandising Division of "Successful Farming," Des Moines 3, Iowa. In quantity they are available at 75¢ per hundred.

Why Sell Life?—from 16

while going to college. One night I brought in the story of a church affair, and I wrote about this girl rendering a solo. I turned in the story and in a little while the tough old city editor yelled to me across a big room in the presence of numerous reporters and said, "You don't render a solo; you render lard." Boy! did that make an impression on me. Undoubtedly, that is *why* the word "render" has always reminded me of a packing house, of bad odors, of "rendering lard." However, there *was* an idea which I wanted from that word, and so I searched the dictionaries for a definition. In fact, one dictionary listed seventeen different definitions. The meaning which appealed to me is found in a Biblical quotation from the book of Mark which says: "Render unto Caesar those things which belong to Caesar." From this quotation I got the idea of trusteeship, the idea of being a custodian, the idea that I had something which belonged to someone else—a *new* idea for me. Then, I looked for a definition of that much-overworked word "service." Likewise, many definitions were listed, but, running through most of them was the idea of being beneficial, of being helpful, of giving aid, of performing some useful labor for someone . . . and so, I reached the thought that the *second* reason why I sell life insurance is, because, I am the custodian, the guardian, the trustee, of something which does not belong to me, and that I am charged with the responsibility of performing or giving a helpful, beneficial, useful, *labor* for someone—"render service."

It's logical for someone at this point to say: "You've made a lot of general statements, how are we going to 'render this service.' What would you specifically propose?"

First of all, it seems we must begin with *ourselves* and, then, second, there is our *relationship with people.*

With reference to ourselves, I believe, the *degree* of service, the *kind* of service, the *quality* of service which life underwriters can render is determined by how effective, how efficient we are in our own business.

1867 1947

On January 25, 1867, the Equitable Life of Iowa was founded in Des Moines, then a frontier town of 8,000 people.

The 80 intervening years have witnessed the development of that pioneer enterprise into a national institution. In contemplating the completion of its first century of service, the Company will continue to conduct its affairs in the sound, constructive and progressive manner which Time has so thoroughly tested.

EQUITABLE LIFE of IOWA

Founded in 1867 in Des Moines

To become more effective, and to become more efficient in our business, I would propose five specific points. They are so simple, so old and so much has been written about them that I hesitate to give them to you—but here goes.

First: *We must have a working knowledge of this business,* which comes from constant reading and studying. The C.L.U. movement encourages this knowledge; we must have a "know-how" about our business.

Second; *I would develop and use a simple, a sound, yet a strong, aggressive sales presentation.* To me, that is a most important phase of building a life insurance sales plan. There should be three of those presentations built to include three phases of this business:

1. A definite plan for selling *simple estate programs.*
2. A definite plan for selling *business insurance.*
3. A definite plan for *handling tax cases.*

I am a great believer in a so-called "canned," carefully prepared sales presentation. I have three of those

(Continued on the next page)

"canned" sales procedures: one for simple programming, one for business insurance, and one for tax cases. They worked *before* the war, they worked during the war and they are working in this postwar period. You know, we spend a lot of time telling our clients that they need a *definite financial track* on which to run; likewise, it seems to me that we must have a definite *sales track* on which to run.

The third point I would propose is to plan carefully each day, each week, each month, yes, each year and keep records of the results of those plans. The bookkeeping of records is most laborious. For the last ten years I have kept records and I can tell you on whom I called. The result—the whole story for every one of those days. What good is it? I don't know, except that I like to know where I am going and how I compare with other days, other weeks, other months, other years. To me, it is a fascinating game, this keeping score on a fellow named McMaster. However, let me say, not only must we make plans but we must work those plans. Every simple, every complicated machine—every simple, or every great, ornate, beautiful building—most worthwhile lives—*all* have been carefully planned. Similarly, why shouldn't *we* plan our daily activities, and then *do* something about those plans!

The fourth point I propose is that we should have plenty of names—some may call them prospects. I am not going into a discussion of prospecting as I believe too much has been written on that subject already. My personal opinion is that city directors, lists, other directories, and the phone book are all full of names. We can easily determine whether those names, as such, are potential buyers from us. Let's not lose sight of two facts—first, *every* name, generally speaking, *is* a potential buyer from someone; and, second, until a name is listed in the "paid-for" column of our ledger, it is still only a name. Again, I say, we need names and lots of names.

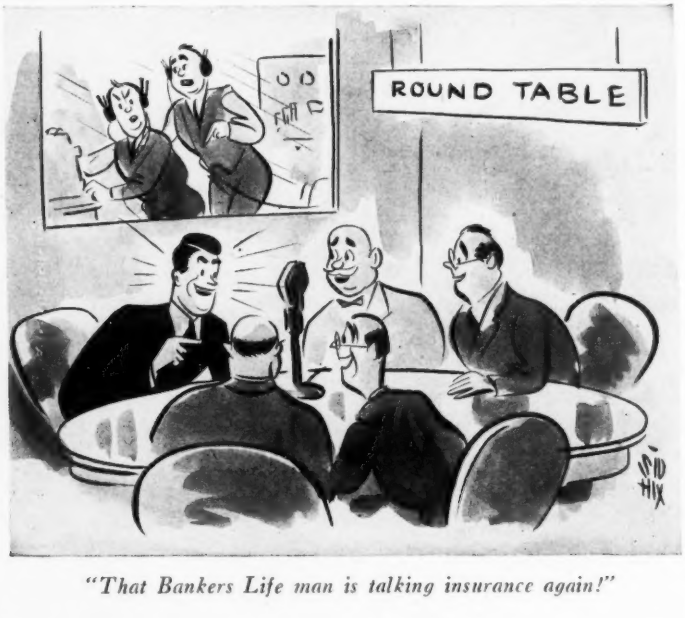
"Want to, Enough"

For my fifth point we go back to those three magic words. We can have knowledge to the nth degree; we can have the most *effective sales story* conceived by the brain of man; we can carefully *plan all our activity;* we can have thousands of names; but, the degree of how much we "want to, enough"—*to do something* about *using knowledge,* about following our plan, about *seeing those names,* and about *telling that sales story*—that and that alone determines how far we will go in this great business of ours. Simple, isn't it? Do you realize that those three words tell the complete story of our lives and our accomplishments up to this very moment?

Those five points I suggest, then, are:

1. We *need knowledge* and "know how" about this business.
2. We need a *definite sales track* on which to run.
3. We need to *plan our activity.*
4. We need *lots of names.*
5. We must *"want to, enough"* to do those things each day which lead to success.

Now, these five points give us a basis for getting our own lives organized so that we can work efficiently. Then, after we have our own



"That Bankers Life man is talking insurance again!"

Bankers*life*men Are Enthusiastic About Their Business

Filled to overflowing with enthusiasm for the work they are doing, Bankers*life*men are willing to talk about insurance on the drop of a hat, even though there is no record of one of them having intruded his business into a radio round table.

This enthusiasm is a natural expression of the thorough knowledge of the business which the typical Bankers*life*man has. Starting with his earliest days in the business he has been given opportunities to really learn the business. In his own agency he learned through discussion and supervised field practice. That was followed by courses of study conducted under Home Office direction, alternated with periods in the field to put into practice what he had learned.

The enthusiasm for the life insurance business which results from knowing it so well makes Bankers*life*men the kind of life underwriters you like to know as friends, fellow workers, or competitors.

BANKERS *Life* COMPANY
DES MOINES

lives efficiently organized, we must "want to, enough," to help others; we must *want* to help people.

At this point, I want to pay tribute to those men of our local, state and national associations who through the years have given so much of their time and energy to building our Association. Each of us could profit from this example.

Basic Desires

In my relationship with prospective clients, as I talk to men, and as I discuss their problems and situations with them, I try to lead them back to a discussion of those simple basics of every man's life. What are they? You know as well as I do. I paint a word picture of a little white cottage looking out on the broad blue Pacific, of a little cabin high up in the cool mountains, of fishing, hunting, a gypsy traveler's life, golf, hobbies; yes, I try to tell that man about *all* of those things a fellow *dreams, hopes* and *wants*. Yes, he prays he will be able to do these things when he gets *tired* and wants to quit. Men *do* get *tired* and men *do* want to quit. Then, I say to him, "Mr. Prospect, history shows and statistics prove that 96 out of every 100 men will not have those things in the twilight of life." But, I say, "*You can* have those things if you want to, enough"—then, I talk to him about his family, his wife, who left the sheltered security of her father's home . . . placed her destiny in his hands . . . to go through life with him—about those youngsters, who idolize their Dad and believe he is the greatest guy on this earth. Life? Men will talk to you about their futures, about their families, about life! Helping men to plan the future of their families, plan for their own future—isn't *that* rendering a worth-while service!

Advertising Plus

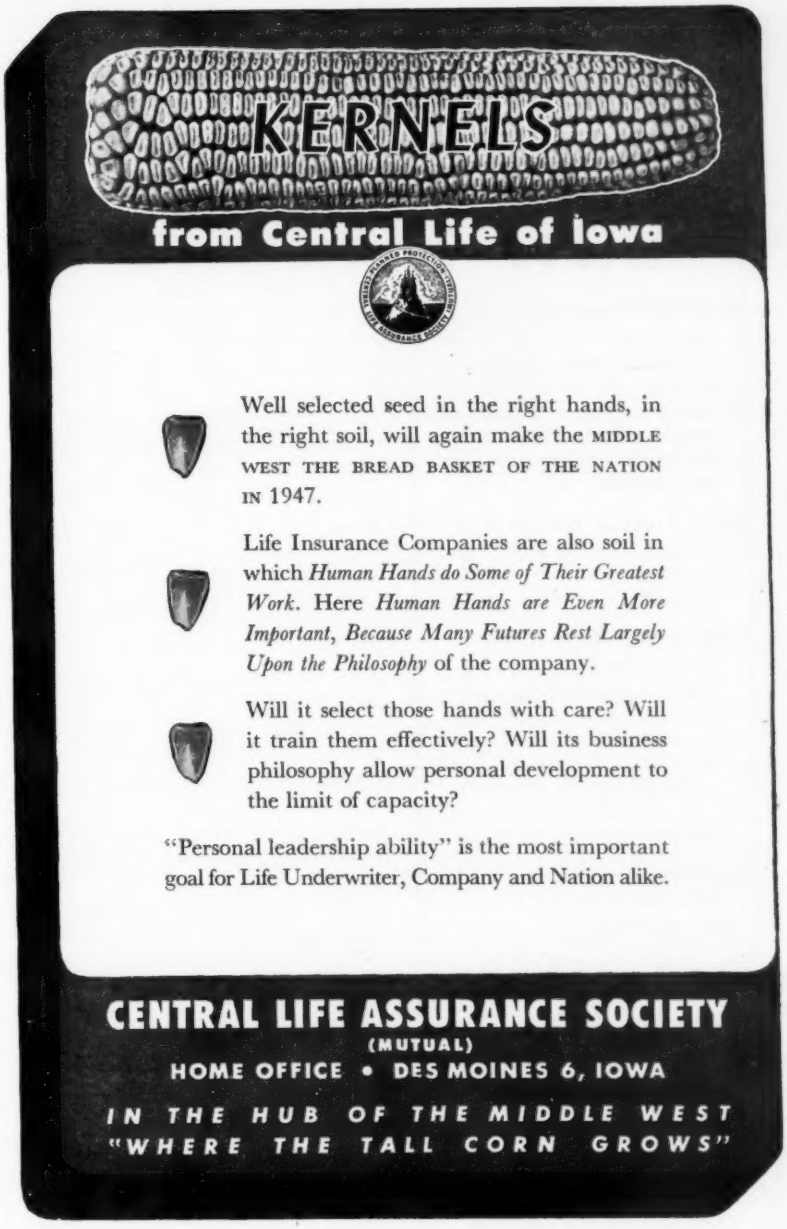
I have something which I want to share with you. Many of you may have read it. It is one of the greatest life insurance advertisements I've ever seen, and it was run by Travelers several years ago. It paints a dynamic heart picture. When I want to get back on the track, when I have some tough guy for whom I want to get ready, then I take out this advertisement and read it; it always gives me the help, the strength and the courage to go out and tell my story.

The copy reads like this: "Why did I buy Life Insurance?" he said. "Well, I'll tell you why—Because, one day a few years ago, going up the stairs of an apartment building, I met a young person—her arms were full of packages, one of them was dangling by a long string . . . I didn't think she'd mind and so I offered to help her. At the door of her apartment, I saw that she was very pretty . . . she still is. . . .

"Because late one summer night, when we were standing on the platform of the railway station waiting for that last suburban train to take me back to the distant city, I said to her, 'The two of us could live on what I am spending for railroad fare. What do you say we try it?' . . . We did, and it worked. . . .

"Because one day I was offered a better job by another firm. When I told my boss about it, he offered

(Continued on the next page)



INDIANAPOLIS LIFE MEN ARE CAREER UNDERWRITERS

WHY?

Excellent Training

The Company's training and retraining plans are comprehensive, definite, thorough, enabling new men to promptly establish satisfactory incomes, and experienced men to grow and progress.

High Average Earnings

Indianapolis Life Representatives enjoy unusually high incomes.

Selling Aids That Make Needs Clear

The Company's ratebook—carefully designed for programming, briefing and package selling—answers available instantly. Modern sales literature and briefs to cover all needs.

Opportunities for Advancement

Exceptional.

Home Office and Field Relations

Exceedingly Cordial.

A Quality, Legal Reserve, Mutual Company Higher Than Average Assets Over Liabilities

Organized in 1905

Over $184,000,000 of Insurance in Force

Over $50,000,000 in Assets

Indianapolis Life INSURANCE COMPANY

Indianapolis 7, Indiana

Agency Opportunities in: Texas, Minnesota, Michigan, Illinois, Ohio, Iowa, and Indiana.

A. H. KAHLER
Second Vice-President
Supt. of Agencies

EDWARD B. RAUB
President

me $10 a week more to stay. But, when I told her about it, she helped me make the difficult, but wise, decision to take the new job. I *did*, and *that* worked. . . .

"Because late one autumn afternoon, as we were driving through the countryside, we came upon a small white cottage; its windows were ablaze with the shining rays of the setting sun. . . . She said, 'Sweetheart, what a *home* that would be for us.' . . . Yes, what a home it *has been* for us. . . .

"Because late one night when *I* was sound asleep, she reached over, wakened me and said, 'Honey, I think I'd better go to the hospital now!' . . . We went, and when last I saw her that night, an interne was wheeling her down a *long, white corridor*, despite *her* protests that *she* could walk. When I saw her next, early the following morning, she lay white, and still . . . the heavy smell of ether was on her breath . . . a nurse tip-toed in and asked, 'Would you like to see your little baby daughter?' I shook my head. . . . I wasn't interested in babies *then*. . . . *No*, not even our own.

"It's for all these reasons, and many, many more, which I wouldn't tell you, that *I* bought life insurance.

"And, Mister, if those premiums were payable in blood, pernicious anemia would be a pleasure for me!"

Why do *you* sell life insurance? Why do *I* sell life insurance? First, to provide a livelihood for our families and, second, to "render service."

Final Thought

Let's remember the $75,000 producer has the same job as the million dollar producer. First, we must "want to, enough" *ourselves* to succeed. And then, we must help people to "want to, enough" to provide for themselves and for their families. When we do that we will render a real, worthwhile service for those people. *What do men and women in this business need?* It's very simple . . . three magic words . . . "want to, enough."

In closing, I would like to share with you the words of a beautiful little bit of verse. I would like to give credit to the author, but I don't know who wrote them. Those words mean a lot to me. They sort of summarize all I have been trying to say. I adopted them months ago and each day, before I start out, I repeat them. Those words are:

May every soul that touches mine today—
Be it the slightest contact—get some good
Some little grace—one kindly thought—
One inspiration yet unfelt—one gleam of faith to brave the thickening ills of life
One glimpse of brighter skies beyond the gathering mists—
To make this life worthwhile—and Heaven a surer heritage.

That is my *hope!*

Before Annual Meeting N.A.L.U.

CANADIAN VALUATION

AT THE 30th annual meeting of the Association of Superintendents of Insurance of the Province of Canada, held at Jasper Park Lodge, Jasper, Alberta, last month it was voted to adopt the same basis as in 1946 to be used by Canadian life insurers for the valuation of their securities in completing annual statements as of December 31, 1947.

CANADIAN PAYMENTS

THE total payments to policyholders and beneficiaries in the Dominion of Canada for the first six months of this year were $90,676,845. These payments are broken down as follows: Ordinary, $67,803,316; Industrial, $15,449,984 and Group, $7,423,545. The portion of these figures represented by death and accidental death claims were: Ordinary, $26,345,827; Industrial, $3,660,094 and Group, $4,673,019.

As would be expected, the largest payments to beneficiaries were made in Ontario totaling $15,284,439, while next in line was Quebec with $10,261,508. Smallest payments were made at Prince Edward Island and totaled $84,824.

Americans, finding life insurance the best way to solve their common financial problems, now own more than 180 billion dollars of life insurance protection.

The American Life Convention, offering executives of independent member companies a means of solving through cooperation the many problems common to the industry, performs a similar function within the life insurance business. The better service thus made possible has contributed greatly to the increased confidence in, and ownership of, life insurance by the people of this nation.

Kansas City Life Insurance Company is grateful that it has had the opportunity to benefit from membership in the American Life Convention ever since it was founded in 1906.

KANSAS CITY LIFE
INSURANCE COMPANY
KANSAS CITY
MISSOURI

CANADA

15 Years' Experience

THE experience of life insurance companies in Canada over the last fifteen years shows, as might be expected, wide fluctuations in production and persistency of volume of insurance.

During the ten years 1932 to 1941, inclusive, which include most of the so-called depression years, the total volume of insurance effected was $6,644,854,707. The amount of such insurance and of the nearly seven billion in force at the end of 1931 which was surrendered during the ten years for cash surrender values was $2,731,303,694; the said cash surrender values, amounting to $655,413,500 net, contributed materially to the protection of other assets, and to the maintenance of the liquid position of the holders, during the period. The amount of business lapsed during the period was $2,372,067,310 and the total business in force at the end of 1941 exceeded the amount in force at the end of 1931 by $737,323,459.

During the five years 1942 to 1946, inclusive, which include most of the war years, the amount of insurance effected was $5,119,271,651. The amount of such insurance and of the over seven billion five hundred million in force at the end of 1941 which was surrendered during the five years for cash surrender values was $571,411,008 and the amount lapsed was $679,379,191. The amount of insurance in force at the end of 1946 was $11,102,667,486 and exceeded the amount in force at the end of 1941 by $3,549,940,173.

Reducing to ratios the figures for the two periods in question, the amount effected in the five-year period was 77% of that effected in the ten-year period, the amount surrendered for cash surrender values 21%, the amount lapsed 29%, and the amount of increase in business in force 481%.

Many deaths occur annually as a result of using gasoline for cleaning purposes. Gasoline has no place in the home.

PUBLIC RELATIONS

Latest LAA Report

A REPORT on Public Relations, the ninth in a series of research reports on current trends in life insurance advertising and sales promotion published by the Life Insurance Advertisers Association was released to members recently.

This LAA Public Relations report, prepared by David W. Tibbott, Director of Advertising, New England Mutual Life Insurance Company, summarizes the public relations activities of 102 life insurance companies in the United States and Canada.

The report covers not only such subjects as advertising, publicity, books and booklets, film and exhibits, but also various activities of a public relations character such as handling of complaints, contributions to charities, Home Office tours, employee relations and speaking invitations for officers. Distribution of these research reports is restricted to LAA Members.

SMALLER CITIES *Offer You*

The best opportunities for great service by and substantial income to experienced producers.

Our Direct General Agents Contract is especially designed to meet this challenge.

Attractive Territory Available In

Iowa	Missouri	Louisiana
Arkansas	Kentucky	Mississippi

For further information write to
J. DeWITT MILLS
Superintendent of Agents

MUTUAL SAVINGS
Life Insurance Company
812 Olive St. — Arcade Bldg. St. Louis 1, Mo.
ALLEN MAY, *President*

FRANKLY, we admit it . . . Our first consideration is our Agents and our Policyowners.

The Ohio National Life Insurance Company, Cincinnati, Ohio

PENSION AND PROFIT PLANS

Employer's Dollar

WHERE does the employer's contribution dollar go under a pension or deferred distribution profit-sharing plan?

Recent studies that have been made by Pension Planning Company of New York, were disclosed by Meyer M. Goldstein, Director, at the Million Dollar Round Table meeting at the New Ocean House, Swampscott, Massachusetts, on September 8th.

Mr. Goldstein stated that this knowledge is important to the employer who is considering a new plan, so that he may concentrate his dollars in the direction of his primary objectives. Also, if a plan is in existence this information will enable the employer to decide whether to continue the present funding method or to amend the plan to improve its effectiveness.

If the employer has in mind the solution of his problem of taking care of superannuated or totally disabled employees then he can concentrate one hundred per cent of his contributions in this direction through a trusted securities invested pension plan (commonly called a self-administered pension plan) or through a group annuity contract.

Of course, if death benefits are provided through the typical Group Term Life contract, or the newer Group Permanent Ordinary Life contract, these would absorb some portion of the employer's dollar, the ratio depending on the amount of death benefits.

However, the typical retirement annuity policy pension plan, either with or without insurance, can solve the employer's problem of superannuated employees, but only about half of the employer's dollar would be allocated towards providing the retirement benefits, with the balance being needed for death benefits, severance of employment vested rights costs and loading of the policy premium for expenses. Or, stated differently, such a plan generally entails double the cost of a Group Annuity or Trusteed Securities Invested fund providing similar retirement benefits due to the extra cost of the death benefits and higher initial loading for expenses, and generally more liberal severance benefits.

Likewise, in a typical deferred distribution profit-sharing plan only about half of the employer's dollar is stored up to provide retirement benefits because the other half is consumed in death and severance benefits and expenses of administration. Moreover, under the current tax rulings the one-half that is stored up for retirement benefits in such a profit-sharing plan generally must be allocated to young and old in accordance with compensation on a money purchase basis, without giving adequate credit for past service. Hence, such a plan cannot be an effective pension system of, say, ⅓ of final salary before retirement including Social Security for about the first 15 years to 25 years after its establishment, depending on the employee's compensation level.

It is essential for the employer to determine his primary purposes and the amount of his budget before selecting the type of plan and the funding method to be employed.

AMICABLE LIFE INSURANCE COMPANY · WACO TEXAS ·

"FAITHFUL PROTECTION"

Liberal Agency Contracts Available to Texas Men Who Can Qualify to Represent the Amicable In Texas

UNUSUAL

AGENCY OPPORTUNITIES

OPEN IN FOLLOWING STATES:

Colorado
California
Kansas
Iowa
Minnesota
Missouri
Montana
Nebraska
North Dakota
Oklahoma
Oregon
South Dakota
Texas
Washington
Wyoming

If you have what it takes to get the job done

CONTACT US!

POLICYHOLDER'S NATIONAL LIFE INSURANCE CO.

SIOUX FALLS SOUTH DAKOTA

AND

NATIONAL RESERVE LIFE INSURANCE COMPANY

TOPEKA KANSAS

"ASSOCIATED COMPANIES"

INCOME PAYMENTS

Increasing

FORTY-FOUR per cent of life insurance benefits available in 1946 under ordinary and group endowment and death settlements were used to set up continuing income plans for policyholders or beneficiaries, a new high in the proportion of funds used for this purpose, the Institute of Life Insurance reports.

The 1946 aggregate of funds set aside for future income payment was $586,000,000, compared with $545,000,000 in 1945, $475,000,000 in 1944, and $418,000,000 in 1943.

The total of such funds left with the life insurance companies for payment under these income plans now amounts to approximately $3,800,000,000, an increase of $1,300,000,000 in the past three years.

Income payments to American families from these funds increased to $346,000,000 in 1946, compared with $301,000,000 in 1945 and $248,000,000 in 1943. The increase has been progressive from year to year as a larger proportion of the available benefits has been placed under income settlements.

"The rise in use of life insurance benefits for income plans is a demonstration of the extent to which American families are now planning their protection programs," the Institute commented. "As recently as 1930, only 10% of the then smaller benefit payments were used for income plans and in 1920 the percentage was only about 5%. The 1946 aggregate of $586,000,000 used in this way compares with only about $93,000,000 in 1930 and $19,000,000 in 1920. Careful family financial planning has built up a huge reserve of benefit funds for future planned income use, already $3,800,000,000 and growing annually.

Integral Part of Planning

"Income use of life insurance, making it an integral part of family financial planning, has largely been a development of the present generation, with the life insurance agents of the country making a major contribution to this orderly planning of family programs. Through their efforts, millions of planned programs have been set up which will mature in the future. There will always be a need for some policies to be paid in cash for immediate expenses, but for the basic protection needs—funds for maintaining homes and keeping families together over the years—the income plan has come to be one of the valuable elements of life insurance.

"The use of benefit payments in this way is also an anti-inflationary factor, helping to hold back large sums from current spending and building up future purchasing power as a stabilizing force."

Phil Has a New Packard Convertible!

Phil, of course, is one of our best field men. Otherwise, he would not be buying cars costing over $3,000.00. However, when he drove up to the home office recently in his new "streamliner," it reminded us that men who sell Standard Life policies find that they sell like hot cakes.

- Harry V. Wade

Standard Life

INSURANCE COMPANY of INDIANA
INDIANAPOLIS

GENERAL AGENCIES OPEN IN
Arkansas · Arizona · Florida · Illinois · Indiana · Kentucky · Louisiana
Maryland · Michigan · New Mexico · Texas · West Virginia

56TH YEAR OF SERVICE TO THE PEOPLE OF NEW ENGLAND

N.A.L.U.

New Officers

AT THE 58th annual meeting of the National Association of Life Underwriters held in Boston earl last month, Jul Baumann, Genera Agent for the Pacific Mutual Lif Insurance Company at Houston Texas, was elected President suc ceeding Philip B. Hobbs. Cliffor H. Orr, General Agent for the Na tional Life of Vermont in Philadel phia, was elected Vice President. Judd C. Benson, Home Office Man ager of the Union Central Life, wa elected Secretary and Walter E Barton, of the Union Central i New York City, was re-elected Tre surer.

Paul H. Dunnavan, Canada Life Minneapolis and Paul W. Cook, Mu tual Benefit, Chicago were electe Chairman and Vice Chairman res pectively of the Million Dolla Round Table.

Elma Easley, California Weste States, Portland, Oregon and Eth Elmer, Connecticut General, Chi cago were elected Chairman and Vice Chairman of the Women's Quarter Million Dollar Rou Table.

SOCIAL SECURITY TAX

Frozen to 1950

PRESIDENT has signed Bill providing continuation of current 1% deduction for 2 years and then in 1950 rate increases to 1.5% and to 2% in 1956 for both employer and employee.

"CORDIALLY YOURS":

New Book

TITLE of a new book written by Jack Carr and published by Graphic Books, Inc., 17 E. 42nd St., New York 17, N. Y. Presenting some new and sound ideas in letter writing of the sales variety. It is a "natural" for agents who use the mails to help bolster their production. Copies available at the publishers at $5.00 each.

INSURANCE SPECIALISTS

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IN FORCE CHANGES

FOR the first time in five years the net gain of insurance in force in the United States for the first six months of 1947 is less than that of the corresponding period for the preceding year, it is reported by the Agency Management Association in the quarterly Insurance in Force Survey published in August. This survey is based on the figures of 110 life insurance companies representing 89% of the total Ordinary insurance in force in the United States.

The Canadian Insurance in force Survey to which 24 life companies contribute their Canadian experience shows that the net gain in Canada for the first half of 1947 is slightly higher than in the United States. This gain represents a decrease from the gain of 1946.

Figures for the United States Survey, projected on an annual basis, put the net gain for the first six months of 1947 at 8.35% insurance in force at the beginning of the year. For the same period in 1946 the figure was 11.16%. The difference in net gain reflects a drop in production from 14.89% for six months in 1946 to 12.77% in 1947, and an increase in terminations from 3.73% for the first half of 1946 to 4.42% in 1947. The absolute gain, however, is still higher than it has been for any preceding six months period of any year except 1946.

A comparison of Canadian business for the first part of 1947 lists new business at 14.13% and terminations at 4.64%, reflecting a net gain of 9.49%. For the same six months in 1946 new business was 15 27%, terminations 4.20% and net gain 11.07%.

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The Men in the Field are
THE STARS OF OUR SHOW

MORE THAN 40 FIELDMEN, representing over half of our general agencies, took active rolls in our 1947 National Convention, held last month at Grand Hotel on Michigan's Mackinac Island. Their years of experience, backed by first-hand information from top Home Office executives, made the three-day conference one of the most helpful idea-packed programs ever held by the Company.

TAKING ADVANTAGE of the back-to-school sessions at the convention were more than 500 New England Mutual fieldmen whose record production had qualified them for attendance. The new techniques and enthusiasm gained from this meeting of minds will be working for all who attended for a long time to come.

New England Mutual
Life Insurance Company

THE FIRST MUTUAL LIFE INSURANCE COMPANY CHARTERED IN AMERICA - 1835

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